

ECONOMIC AND SOCIAL HISTORY OF  
THE WORLD WAR

*BRITISH SERIES*

---

THE COTTON CONTROL BOARD

BY

HUBERT D. HENDERSON

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OF THE WORLD WAR

(*BRITISH SERIES*)

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# THE COTTON CONTROL BOARD

BY

HUBERT D. HENDERSON, M.A.

FELLOW OF CLARE COLLEGE, CAMBRIDGE

SECRETARY TO THE COTTON CONTROL BOARD,

JUNE 1917—JANUARY 1919

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## EDITOR'S PREFACE

IN the autumn of 1914 when the scientific study of the effects of war upon modern life passed suddenly from theory to history, the Division of Economics and History of the Carnegie Endowment for International Peace proposed to adjust the programme of its researches to the new and altered problems which the War presented. The existing programme, which had been prepared as the result of a conference of economists held at Berne in 1911, and which dealt with the facts then at hand, had just begun to show the quality of its contributions; but for many reasons it could no longer be followed out. A plan was therefore drawn up at the request of the Director of the Division, in which it was proposed by means of an historical survey, to attempt to measure the economic cost of the War and the displacement which it was causing in the processes of civilization. Such an 'Economic and Social History of the World War', it was felt, if undertaken by men of judicial temper and adequate training, might ultimately, by reason of its scientific obligations to truth, furnish data for the forming of sound public opinion, and thus contribute fundamentally toward the aims of an institution dedicated to the cause of international peace.

The need for such an analysis, conceived and executed in the spirit of historical research, was increasingly obvious as the War developed, releasing complex forces of national life not only for the vast process of destruction but also for the stimulation of new capacities for production. This new economic activity, which under normal conditions of peace might have been a gain to society, and the surprising capacity exhibited by the belligerent nations for enduring long and increasing loss—often while presenting the outward semblance of new prosperity—made necessary a reconsideration of the whole field of war economics. A double obligation was therefore placed upon the Division of Economics and History. It was obliged to concentrate its work upon the

problem thus presented, and to study it as a whole; in other words, to apply to it the tests and disciplines of history. Just as the War itself was a single event, though penetrating by seemingly unconnected ways to the remotest parts of the world, so the analysis of it must be developed according to a plan at once all embracing and yet adjustable to the practical limits of the available data.

During the actual progress of the War, however, the execution of this plan for a scientific and objective study of war economics proved impossible in any large and authoritative way. Incidental studies and surveys of portions of the field could be made and were made under the direction of the Division, but it was impossible to undertake a general history for obvious reasons. In the first place, an authoritative statement of the resources of belligerents bore directly on the conduct of armies in the field. The result was to remove as far as possible from scrutiny those data of the economic life of the countries at war which would ordinarily, in time of peace, be readily available for investigation. In addition to this difficulty of consulting documents, collaborators competent to deal with them were for the most part called into national service in the belligerent countries and so were unavailable for research. The plan for a war history was therefore postponed until conditions should arise which would make possible not only access to essential documents but also the co-operation of economists, historians, and men of affairs in the nations chiefly concerned, whose joint work would not be misunderstood either in purpose or in content.

Upon the termination of the War the Endowment once more took up the original plan, and it was found with but slight modification to be applicable to the situation. Work was begun in the summer and autumn of 1919. In the first place a final conference of the Advisory Board of Economists of the Division of Economics and History was held in Paris, which limited itself to planning a series of short preliminary surveys of special fields. Since, however, the purely preliminary character of such studies was further emphasized by the fact that they were



directed more especially towards those problems which were then fronting Europe as questions of urgency, it was considered best not to treat them as part of the general survey but rather as of contemporary value in the period of war settlement. It was clear that not only could no general programme be laid down *a priori* by this conference as a whole, but that a new and more highly specialized research organization than that already existing would be needed to undertake the Economic and Social History of the War, one based more upon national grounds in the first instance and less upon purely international co-operation. Until the facts of national history could be ascertained, it would be impossible to proceed with comparative analysis ; and the different national histories were themselves of almost baffling intricacy and variety. Consequently the former European Committee of Research was dissolved, and in its place it was decided to erect an Editorial Board in each of the larger countries and to nominate special editors in the smaller ones, who should concentrate, for the present at least, upon their own economic and social war history.

The nomination of these boards by the General Editor was the first step taken in every country where the work has begun. And if any justification was needed for the plan of the Endowment, it at once may be found in the lists of those, distinguished in scholarship or in public affairs, who have accepted the responsibility of editorship. This responsibility is by no means light, involving, as it does, the adaptation of the general editorial plan to the varying demands of national circumstances or methods of work ; and the measure of success attained is due to the generous and earnest co-operation of those in charge in each country.

Once the editorial organization was established there could be little doubt as to the first step which should be taken in each instance toward the actual preparation of the history. Without documents there can be no history. The essential records of the War, local as well as central, have therefore to be preserved and to be made available for research in so far as is compatible with public interest. But this archival task is a very great one, belonging of right to the governments and other owners of historical sources

and not to the historian or economist who proposes to use them. It is an obligation of ownership ; for all such documents are public trust. The collaborators on this section of the war history, therefore, working within their own field as researchers, could only survey the situation as they found it and report their findings in the form of guides or manuals ; and perhaps, by stimulating a comparison of methods, help to further the adoption of those found to be most practical. In every country, therefore, this was the point of departure for actual work ; although special monographs have not been written in every instance.

This first stage of the work upon the war history, dealing with little more than the externals of archives, seemed for a while to exhaust the possibilities of research. And had the plan of the history been limited to research based upon official documents, little more could have been done, for once documents have been labelled ' secret ' few government officials can be found with sufficient courage or initiative to break open the seal. Thus vast masses of source material essential for the historian were effectively placed beyond his reach, although much of it was quite harmless from any point of view. While war conditions thus continued to hamper research, and were likely to do so for many years to come, some alternative had to be found.

Fortunately such an alternative was at hand in the narrative, amply supported by documentary evidence, of those who had played some part in the conduct of affairs during the war, or who, as close observers in privileged positions, were able to record from first or at least second-hand knowledge the economic history of different phases of the great war, and of its effect upon society. Thus a series of monographs was planned consisting for the most part of unofficial yet authoritative statements, descriptive or historical, which may best be described as about half way between memoirs and blue-books. These monographs make up the main body of the work assigned so far. They are not limited to contemporary, war-time studies ; for the economic history of the war must deal with a longer period than that of the actual fighting. It must cover the years of ' deflation ' as well, at least sufficiently



to secure some fairer measure of the economic displacement than is possible in purely contemporary judgments.

With this phase of the work, the editorial problems assumed a new aspect. The series of monographs had to be planned primarily with regard to the availability of contributors, rather than of source material as in the case of most histories ; for the contributors themselves controlled the sources. This in turn involved a new attitude towards those two ideals which historians have sought to emphasize, consistency and objectivity. In order to bring out the chief contribution of each writer it was impossible to keep within narrowly logical outlines ; facts would have to be repeated in different settings and seen from different angles, and sections included which do not lie within the strict limits of history ; and absolute objectivity could not be obtained in every part. Under the stress of controversy or apology, partial views would here and there find their expression. But these views are in some instances an intrinsic part of the history itself, contemporary measurements of facts as significant as the facts with which they deal. Moreover, the work as a whole is planned to furnish its own corrective ; and where it does not, others will.

In addition to this monographic treatment of source material, a number of studies by specialists is already in preparation, dealing with technical or limited subjects, historical or statistical. These monographs also partake to some extent of the nature of first-hand material, registering as they do the data of history close enough to the source to permit verification in ways impossible later. But they also belong to that constructive process by which history passes from analysis to synthesis. The process is a long and difficult one, however, and work upon it has only just begun. To quote an apt characterization, in the first stages of a history like this one is only ' picking cotton '. The tangled threads of events have still to be woven into the pattern of history ; and for this creative and constructive work different plans and organizations may be needed.

In a work which is the product of so complex and varied co-operation as this, it is impossible to indicate in any but

a most general way the apportionment of responsibility of editors and authors for the contents of the different monographs. For the plan of the History as a whole and its effective execution the General Editor is responsible; but the arrangement of the detailed programmes of study has been largely the work of the different Editorial Boards and divisional Editors, who have also read the manuscripts prepared under their direction. The acceptance of a monograph in this series, however, does not commit the editors to the opinions or conclusions of the authors. Like other editors, they are asked to vouch for the scientific merit, the appropriateness and usefulness of the volumes admitted to the series; but the authors are naturally free to make their individual contributions in their own way. In like manner the publication of the monographs does not commit the Endowment to agreement with any specific conclusions which may be expressed therein. The responsibility of the Endowment is to History itself—an obligation not to avoid but to secure and preserve variant narratives and points of view, in so far as they are essential for the understanding of the War as a whole.

J. T. S.



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## PREFACE

THE story of the Cotton Control Board must necessarily deal mainly with the relations between employers and employed ; and it cannot be rightly understood unless the reader appreciates clearly the deep-seated, if pugnacious, respect and mutual confidence which characterize those relations in the cotton industry. For this reason I have considered it essential to treat these matters with as much frankness as is seemly in one who served as Secretary to the Board for most of its active life. To this I trust that no one concerned will take exception. I have carried away an abiding impression of the vigour and capacity of the leaders of all sections of the industry ; and I feel towards them the deepest gratitude for the consideration and indulgence with which they treated me. My experience of the Board's work was highly stimulating and instructive to me ; and I feel that it can be made instructive to others—if it is told, as I have tried to tell it, with candour and detachment.

Apart from the account of wage negotiations which I have deemed essential, I have not attempted to go beyond the sphere of the Cotton Control Board's work. This book is not a history of the cotton trade during the War. Such a history would require to be cast in a very different mould and to cover a far wider range of topics than is dealt with here ; and I understand that it is to form the subject of a separate volume.

Nor is there to be found here a complete account of war-time control in the cotton industry. Various important public duties, such as the apportionment among different importing merchants of the shipping space allotted to cotton, and the administration of an Order fixing maximum prices for raw

cotton, were discharged by Committees at Liverpool with which the Control Board had no connexion. These committees, though acting under the authority of the Board of Trade, were essentially part of the machinery of the Liverpool Cotton Association; and the unhesitating public spirit with which this Association, under the leadership of its successive Presidents, and notably of Sir Alfred Paton, discharged duties, always delicate and sometimes in direct conflict with the immediate self-interest of its members, forms a highly creditable chapter of its long and honourable record. Still more outside my scope is the work of the Cotton Textiles Department of the War Office, which, under the direction of Mr. W. J. Orr, was responsible for Government contracts in the cotton trade. Finally, I give no account of the very important arrangements by which the Egyptian cotton crop of 1918 was jointly purchased by the British and Egyptian Governments.

I am indebted to Mr. Frederick W. Tattersall for permission to make use of his *Cotton Trade Circular* in the compilation of a statistical table, and to Mr. J. A. Todd for the preparation of a diagram, which appear as Appendixes. I am also indebted for valuable assistance to my friend, Mr. G. E. Toulmin. I have left the book as it was completed in December 1920.

H. D. HENDERSON.

CLARE COLLEGE, CAMBRIDGE.

*June 1921.*

## CHAPTER I

### THE PROBLEM

IN the early summer of 1917 the cotton industry was faced with a situation which was undoubtedly formidable. The submarine war was in its most menacing and destructive phase, and the heavy tonnage losses must in any case have told with special severity upon an industry which relies entirely upon foreign sources for its principal raw material. But for the cotton trade the situation was much aggravated by some of the counter-measures of the British authorities. The Ministry of Shipping was engaged in the task of directing and allocating the nation's tonnage. With an ever-lessening supply of ships to meet an enlarged and ever-growing series of needs one thing was clear. Unessential imports must be cut off, or severely cut down. In times of peace we are not accustomed to regard raw cotton as one of the least important items in our import schedules. But the standards were the standards of war time. Food, munitions, things necessary for the fighting forces or for the physical maintenance of the population, these at all costs we must have ; and after provision was made for them there was but little tonnage left over. In the main, cotton must take its share of what was left. There was a certain military demand for cotton goods ; but this never amounted to more than a small fraction of the product of the industry. The needs of the civil population could be satisfied with a further small percentage. Some cotton was required for the manufacture of explosives ; but it was a small item, nor did it call for the assistance of the spindles or looms of Lancashire. The industry could, it is true, put forward a stronger claim than these. It furnished the most valuable item in our list of exports ; and for the solution of the difficulties of the exchange and of international finance, exports were of the first importance. But the times were such that even this consideration must take



a secondary place. The entry of America into the war had diminished the urgency of the financial problem; lack of cotton might indirectly require us to borrow more money from our new associate, a matter serious enough it might be, when the day of financial reckoning should come. But meanwhile the German armies still stood like 'an impenetrable barrier' in Belgium and in France.

Imports of cotton from America were accordingly greatly reduced. It was plainly intimated that more drastic reductions might follow. For a little time the mills of Lancashire continued to work at full pressure, and the stocks at Liverpool to dwindle; while the leaders of the industry strove, in conference with each other and with the Government, to adjust their minds to the emergency and to evolve an appropriate plan of action. During June the trouble came to a head. The price of futures began to rise rapidly until an increase of about 300 points (or 3*d.* per lb.) in a single week made it plain that a chaotic scramble for the limited supplies of cotton was imminent. Immediate action was now imperative. On 20th June 1917 the Liverpool futures market was closed for about ten days, and upon its reopening no speculative dealings were permitted for some months. On the 28th June the Cotton Control Board was appointed by the Board of Trade.

To appreciate the situation in its true perspective, it is necessary to realize all that is implied in the familiar descriptions of the highly localized character of the cotton industry. Many other industries might be curtailed or virtually suspended without consequences worthy of concern under the stress of the exigencies of war. This might, indeed, be done deliberately by Government *ukase*, as was done with the building industry (which employs throughout the country more workpeople than the cotton trade) to release men and materials for other purposes. Men were needed for the army, for munition factories, for ship-building yards, for almost every essential industry; and those whose particular occupation came to an end need, as a rule, have no difficulty in finding work and wages in one of these.

But for the workpeople engaged in the cotton mills of

north and south-east Lancashire the problem was not so easy. Throughout that extraordinary region of factory towns and factory villages, which awes the stranger by its effect of concentrated industry and appals him by its dreary monotony, the cotton trade is the all-pervading and dominating fact. Men, women, and children are employed in it, each contributing to the family income on which the standard of life is based. There are not many families in a typical cotton town which do not derive at least a substantial part of their income either from the mills themselves, or from subsidiary occupations which depend absolutely upon their activity. Moreover, the cotton operatives are steeped in the atmosphere of the industry, and take in it an unusual and almost proprietary pride.

In what alternative employment was it conceivable that this enormous population, with its peculiar habits, traditions, psychology, could have been absorbed? All the munition factories within reach of the homes of the cotton operatives could not have absorbed more than a small fraction of them. The army had already in its grasp the bulk of the men of military age. A bureaucrat might toy in his office with the notion of drafting the cotton operatives *en masse* to districts where their services were needed, and feeding and housing them on a wholesale military basis. But the mention of such a project serves best to indicate the formidable consequences which a complete paralysis of the cotton industry would have entailed.

The problem with which the Cotton Control Board was called upon to grapple was thus no mere problem of a speculative *impasse*, or even of the fortunes of an important trade, but (so at least it seemed) of the livelihood and social order of a vast province. The situation, indeed, was not unprecedented; but the precedent was sinister. The American Civil War had shown what a shortage of cotton might mean for the people of Lancashire. Fortunes by a few speculators; bankruptcy and ruin for a large number of employers; for the operatives short time, unemployment, destitution, a hard struggle to keep hearth and home together, and to preserve the elementary

decencies of life, an occasional blaze of riot and disorder—these were the features of that period which is aptly called the Cotton Famine, and which has bitten deep into the memories and traditions of the cotton population. In 1917 it was to this parallel that their imaginations instinctively returned: employers and operatives alike were fearful of a recurrence of the conditions of the Civil War.

This, no doubt, was greatly to exaggerate the danger. If the cotton people had looked less to their own experience of two generations ago, and more to the contemporary experience of other trades, some at least of the problems which confronted them must have assumed a less threatening aspect. The problem, for instance, of so apportioning a limited supply of material as to ensure to each mill its fair share was one which had arisen already during the war in a number of trades; and measures had been taken which had at least disposed entirely of the danger of a scramble for material, out of which immense fortunes might accrue to a few manufacturers, while most were plunged in bankruptcy. Nor had the solution of this difficulty in other trades been hailed as a miracle of organization; on the contrary, the bureaucrats who had administered the necessary controls had been accustomed to receive more kicks than ha'pence for their pains. If the problem of securing fair play as between employers had been once envisaged as a comparatively simple one, that of securing the livelihood of the workpeople would hardly have appeared likely to pass the resources of organization. Nothing of this was really lost upon the people of Lancashire. But the parallel of the Civil War dominated their minds and their anticipations, and they were in the mood to be thankful for small mercies.

On the whole, perhaps, this fact was fortunate. For it helped to ensure to the Cotton Control Board a readiness on the part of the trade to submit to the necessary restrictions, and subsequently, when no disasters ensued, a measure of confidence amounting indeed for some months to a remarkable popularity which, even when it waned, sufficed to extricate the Board from some very awkward predicaments. And this



confidence was not only an invaluable asset for the discharge of their functions : it was in itself the achievement of one of their most important functions. In the eyes of the Government at least, the chief task of the Cotton Control Board was to maintain the tranquillity and the morale of Lancashire. If at any time the cotton operatives were threatened with destitution, or if beneath lesser hardships their morale were to give way, and Lancashire were to become a centre of discontent threatening the steadiness of the nation, more tonnage *could* be allotted for the transport of cotton. But this would divert shipping from its most urgent uses and weaken the Allied efficiency for war. Naturally, it was not quite in this light that the leaders of the industry saw the situation. To make shift with the smallest possible supply of cotton was hardly the definition of their functions that they would have formulated for themselves. On the contrary, if by representations and pressure they could at any time have extorted an increased supply of tonnage, they would have hailed it as a triumph. None the less, from the national point of view, it would have been rather a measure of their failure.

In one respect, at least, the parallel with the days of the American Civil War was apposite. The fortitude of the cotton operatives in those days had an important, some have thought a decisive, bearing on the issue of a great struggle. The most serious danger that threatened the cause of the North was the possibility of British intervention ; and if to the undisguised sympathies of the British upper class with the gentlemanly slave-owners of the South there had been added a clamour for the termination of the war, arising from the starving and desperate working-class of Lancashire, that danger might well have been transformed into a reality, and there might not have been in 1917 a strong United States to come to our assistance. But the cotton operatives believed in the cause of the North, and remained faithful to it through all their weary privations.

In the Great War the cotton trade was cast for a not dissimilar rôle. Once again it was called upon to suffer, like a non-combatant, from the blows of friend and foe alike ; once

again a patient endurance was the supreme contribution it could render to the cause it had at heart. As it happened, the strain was never so severe nor the test so searching as it had been in the 'sixties. But this much at least can be said, that though at one time the production of the principal section of the industry was cut down to less than 40 per cent. of its normal, the cotton operatives contributed throughout an element of steadiness to the national temper ; and the Shipping Controller was never deflected by the necessity of averting trouble in Lancashire from the most economical adjustment of tonnage, until, at all events, the worst of the crisis was past : till the bulk of General Pershing's Army had been conveyed across the Atlantic, and the Germans were on the retreat in France.

## CHAPTER II

### THE BOARD

THE Cotton Control Board was originally composed as follows :

Mr. A. H. Dixon ( <i>Chairman</i> )	Mr. J. Cross
Mr. J. Smethurst	Mr. E. Duxbury
Mr. P. Ashworth	Mr. A. Barnes
Mr. J. S. Addison	Mr. E. F. Stockton
Mr. J. A. Ormerod	Lord Colwyn
Mr. E. Judson	Mr. S. J. Chapman
Mr. J. Crinion	

Apart from the Chairman himself, there were eight representatives of the industry proper : four of the employers and four of the operatives. Mr. Smethurst and Mr. Ashworth represented the Federation of Master Cotton Spinners' Associations ; Mr. Addison and Mr. Ormerod, the North and North-east Lancashire Cotton Spinners and Manufacturers' Association, these being the two great employers' organizations in the cotton industry. Strictly the line of demarcation between them is geographical ; but as this corresponds broadly with the distinction between the spinning and weaving (or manufacturing) branches of the industry, ' the Federation ' is for most practical purposes the organization of the spinning, and ' North-east Lancashire ' of the manufacturing employers. Mr. Judson and Mr. Crinion represented respectively the Amalgamated Association of Operative Cotton Spinners and the Amalgamated Association of Card, Blowing, and Ring Room Operatives ( ' the Cardroom ' ), the two great amalgamations in which almost all the workpeople on the spinning side of the industry are organized. Mr. Cross represented the great weavers' amalgamation, ' The Amalgamated Associations of Weavers, Winders, and Warperts ', and Mr. Duxbury the smaller craft unions on



the manufacturing side. The remaining four members represented the interest of the merchants and of the Government. Mr. Barnes was the President of the Liverpool Cotton Association, and Mr. Stockton <sup>1</sup> the Vice-President of the Manchester Chamber of Commerce. Lord Colwyn (who soon resigned owing to the pressure of other public duties) and Mr. Chapman <sup>2</sup> were appointed by the Board of Trade as the representatives of the Government.

It was not long, however, before the membership of the Board was enlarged. Within a few weeks Mr. Beaumont Taylor, the President of the Manchester Cotton Association, Mr. R. H. Jackson, another representative of the Federation of Master Spinners, and Mr. John Grey of the 'North-east Lancashire' Association had all been added. The employers thus obtained two additional members, and the equal balance between employers and operatives was upset. Since, moreover, there were upon the Board the nominees of the Government and also the representatives of the merchants, who are ordinarily supposed to incline more to the point of view of the employers than to that of the operatives, the Board's composition was now highly irregular by the standards which it is usual to apply to joint committees. But it gave rise to no friction or complaint, and remained undisturbed until the following June, when the Government sought to add to the dignities of the Board by inviting them to serve after the war as an advisory committee to the Government (the nearest approach to a 'Whitley Committee' which, it was understood, the cotton trade would tolerate) during the anticipated 'Reconstruction period'. On that occasion the balance between operatives and employers was restored by the further addition on the one side of Mr. H. Boothman of the Operative Spinners, Mr. W. Mullin of the Cardroom, and Mr. W. C. Robinson, the President of the Textile Trades Federation; and on the other side of Sir Edward Tootal Broadhurst. Towards the end of the control period

<sup>1</sup> Now Sir Edwin F. Stockton, who has since been for two years the energetic President of the Chamber.

<sup>2</sup> Now Sir Sydney J. Chapman, Joint Permanent Secretary to the Board of Trade.

Mr. F. A. Hargreaves of 'North-east Lancashire' and Mr. J. Hindle of the Operative Weavers were also added to the Board.

But points as to the balance of representation, though there was always the danger that they might cause trouble with the constituent interests outside, never exercised the smallest influence on the actual working or the harmony of the Board. It was not merely that decisions were seldom finally arrived at by the method of a majority vote, and very seldom, if ever, by a vote in which the representatives of the operatives were arrayed solidly against the employers. This is, perhaps, an essential condition of the smooth working of a committee based on the representation of interests; and, with its fulfilment, great importance might still attach to the element of numbers in the process of discussion and argument preceding a unanimous decision. But in the case of the Cotton Control Board such considerations were of practically no account. This was due to the extraordinary personal sway which was exercised throughout by the Chairman, Sir Herbert Dixon.

The appointment of Mr. Dixon (as he remained till the New Year of 1918) to this office was in itself a remarkable event. As the Chairman of the Fine Spinners' Association he was the largest single employer in the industry; and it is usually regarded as a paramount requirement of the chairman of a mixed committee of employers and employed that he should be a disinterested party. It was thus a tribute both to the personality of Sir Herbert Dixon and to the traditionally good relations between employers and workpeople in the cotton trade that he should have been selected for this post, as it is understood, upon the initiative and certainly with the warm approval of the representatives of the operatives. But even more remarkable was his subsequent appointment to a yet more delicate office, that of mediator in wage disputes. Upon three occasions, after the elaborate procedure of joint meetings, which constitutes the machinery evolved by the trade for the settlement of disputes, had been exhausted, he was invited to act as mediator at a final meeting of the two sides. It would be hard to imagine testimony more striking

to the confidence and authority which he commanded throughout the trade as a whole.

As these pages are being written (December 1920) there comes the news of Sir Herbert Dixon's death from the bronchial asthma from which he had long suffered acutely, though he never allowed it to diminish the buoyancy of his spirits or the exuberance of his activity. In the circumstances a few words upon him may be pardoned ; they will, indeed, serve to make clearer certain aspects of the story which follows. Associated with the cotton trade since his early youth, he had become in his outlook and habits a very representative Lancashire business man ; and he possessed in a high measure the devotion to duty, the resourceful vigour, the shrewdness, the tenacity of purpose, something even of the obstinacy characteristic of the type. But, whether or not because he was a native not of Lancashire but of London, there were blended with these strong qualities the graces of a singularly gentle and winning personality. With the *bonhomie*, the racy talk and ready wit of the keen sportsman added to an acute perception and an instinctive sympathy, he possessed not merely charm of manner but the particular variety of charm best fitted to appeal to a business community. Nor did he merely fascinate acquaintances : he had the rarer gift of grappling friends to his soul with hoops of steel. His sympathy sprang from no shallow amiability, but from a genuine kindness and warmth of heart ; and in the service of friendship there were no pains too great or too small for him to take. And with all this there went an appealing quality, something, it seemed, almost pathetic at the core of his nature, which served to disarm opposition and to win men even against their better judgement where neither exhortation nor blandishment would have availed. When a man whom every one wishes to please, and whom it would grieve every one to displease, possesses also decided views, restless energy, and a determined will, his influence over a body upon which he holds a position of recognized authority must inevitably be supreme. From the first, Sir Herbert Dixon's initiative shaped the policy and his will dominated the counsels of the Board.



Its measures, its achievements, its embarrassments, its manner of extricating itself from its embarrassments bore alike the impress of his personality. His ascendancy involved a consequence which must be clearly stated, if the remainder of these pages is to be intelligible.

This was the curiously detached position which was occupied by the operatives' leaders on the Board. Sir Herbert Dixon was an employer, with an employer's outlook and ideas. In this, as in everything else, he was entirely free from affectation. He never pretended to be anything else than an employer, who, indeed, owed it to the remarkable offices which he filled to be scrupulously fair and to do his best to understand and allow for opposing points of view ; but whose bias was none the less that of an employer, and as between spinners and manufacturers, of a spinner. Inevitably he responded more readily to the views of the employer members of the Board, to their suggestions and criticisms, to their objects and their fears than to those of the Labour members, who always represented to him 'the other side'. His unquestioned assumption of the initiative thus meant in effect that the initiative rested with the employers. The operatives' leaders fulfilled essentially the rôle of a friendly opposition, now pleading for concessions, now issuing warnings, but at no time playing an equal part in the determination of policy. Here was a source of weakness which remained hidden so long as no important issue arose which divided employers and employed, but which in the troubles which will be described later inevitably impaired the Board's authority.

With this qualification the Cotton Control Board was a thoroughly representative trade organ, and its record possesses a peculiar interest on this account. In most respects nothing could be more extravagant or unfair than the abuse of Government Departments and Government Controls in which business men both during and since the war have so freely and so heartily indulged. In particular, the execration of the Civil Servant, portrayed as a dilatory, pedantic, nerveless mollicoddle in contrast with the prompt, direct, enterprising, red-blooded business man can hardly but excite the indignation of any one

who had the opportunity of witnessing the competence, the resource and the devotion, with which the Civil Servant grappled during the war with his difficult and accumulating problems. But the very extravagance with which the anti-bureaucratic resentment expresses itself is a measure of its depth. And the truth is that control from outside by a Government Department is a condition of things which no self-respecting trade can do otherwise than resent. It is no mere matter of ignorance on the part of the controlling authority of the technicalities or special problems of the trade controlled. The 'controllers' may be practical business men, drawn from the trade itself, and yet, as our war experience and the case of Sir Eric Geddes show, it seems that somehow there remain the characteristic and odious features of bureaucracy. Essentially the attitude of the business man in this matter is the same as that of the working man in his growing protest against the autocratic control of the 'capitalist' in the workshop. It is an expression of the same deep and powerful impulse towards self-government, which in the political sphere has devoured the power of monarchs and made representative institutions the order of the day.

The Cotton Control Board was unique among war controls in the degree to which it assumed the character and elicited the response of a representative trade organ. Technically it might be a subordinate branch of the Government, amenable to its authority. But it was quite otherwise that the members of the Board conceived the relationship. It was to the various trade interests of which they were the representatives that they held themselves responsible. Of the Government they habitually thought and spoke as of an outside agency, whose authority it was very useful to have 'behind them' in the shape of D.O.R.A. regulations, but which had no business, except possibly in some grave emergency, to 'interfere' in their affairs. To the Control Board's action, it need hardly be said, was due that early enlargement of its membership, to the entire disregard of the niceties of a correct balance of interests which has been described above; and the Board of Trade were merely called upon to ratify, perhaps with some uneasiness, a *fait*

*accompli*. This was a small but characteristic incident. Meeting in Manchester, far from the influence and atmosphere of Whitehall, enabled in case of need to escape from the stranglehold of Treasury Control by the funds accruing to them under the levy system, the Control Board wielded its powers and issued its decrees with the sovereign freedom of a Dominion legislature.

This conception of the Board's position was shared to the full by the trade. Through the Control Board the trade was controlling itself, and the tremendous pride of cotton men in their industry was enlisted in the Board's support. The disposition to carp and criticize, to magnify complaints against irksome but necessary regulations, was replaced by a desire to make a success of a joint endeavour, and to demonstrate how well Lancashire men could rise to an emergency. The assistance which this attitude gave to the smooth working of the Board's measures was incalculable. What those measures were I shall now proceed to describe.



## CHAPTER III

### THE SCHEME OF CONTROL

THE first task which confronted the Control Board was that of preventing a scramble for cotton. With this end in view, simultaneously with their appointment, an Order<sup>1</sup> was made by the Board of Trade prohibiting the purchase of actual cotton except under licence from the Cotton Control Board. The duty of administering this Order constituted, in fact, the only formal definition of their functions. With remarkable promptitude the Board set to work to formulate the necessary rules and to institute the necessary machinery. The Order was made in London on Thursday the 28th June 1917. On the morning of the following Monday, in hastily improvised offices in the Victoria Hotel, Manchester, committees were already at work examining claims and issuing licences to buy cotton to a ceaseless stream of good-humoured applicants. At the outset the Board freed from all restriction (by the device of a 'general licence') purchases of cotton from *outside* the United Kingdom. Merchants and spinners were thus entitled to purchase as much as they chose of cotton lying in America, or 'on the water',<sup>2</sup> it was only for cotton in Liverpool or elsewhere in the country that licences were required. Here the regulations were severe. Licences for American cotton were only granted to spinners who had less than a fortnight's supply in stock, and for not more than one week's supply at a time. Merchants were soon permitted to trade freely with other merchants, and since the shortage was virtually confined to American cotton, general licences were speedily issued for the purchase of Egyptian and other kinds. These rules indicate clearly the spirit in which

<sup>1</sup> The Raw Cotton Order (1917).

<sup>2</sup> Although the contract might be, of course, between a spinner and a merchant both resident in this country.

the Board from the first envisaged the uses of this Order. If they had intended to use it as the basis of an elaborate system of 'rationing', it would, of course, have been necessary to maintain as tight a hold of purchases abroad as of purchases in Liverpool. But this they never contemplated. They regarded their control over the purchase of cotton simply as a useful makeshift, which relieved them of the anxiety that a panic-stricken rush might exhaust the scanty stocks of cotton in Liverpool before they had time to formulate and bring into operation their main policy of control. No great interest attaches, accordingly, to the administration of this Order. Its limited objective was secured without difficulty. The system of licensing 'spot' purchases was continued after the Board's main scheme was in full operation, though as a rather perfunctory matter. But it served in a manner the useful purpose, in those days of shipping delays, of securing a small reserve at Liverpool for those spinners whose c.i.f. purchases failed to arrive by the time they were needed. It had the natural effect of reducing 'spot' business to an insignificant item, and of inducing spinners to rely upon the c.i.f. contract as the normal means of purchasing their raw material. When supplies of cotton became temporarily easier, the severity of the restrictions upon spot purchases was somewhat relaxed, and licences were issued to spinners with less than five weeks' supply for a fortnight's supply at a time.

The main problem—that of regulating the consumption of cotton in accordance with the available supplies—was attacked upon other lines. The Board sought to limit, not the amount of cotton purchased, but the output of the various mills. The most familiar and in many respects the simplest method of effecting this would have been that of *short time*, a reduction in the number of hours worked each week. Upon many occasions in the past the cotton mills of Lancashire had worked short time in order to tide over some difficult period. But there were now special circumstances which led to the rejection of this well-tried device. Of these the most important was the fact that a shortage of certain essential grades of

male operatives, due to enlistment in the Army and the general demand for labour, had already materially restricted the output of many mills, while it had left others virtually unaffected. Thus some employers might have 100 per cent. of their machinery running, others only 80 or 70 per cent. The latter were accordingly emphatic that the further curtailment of production, which was inevitable, should take a form which should mitigate this inequality between them and their more fortunate rivals. Naturally employers were not quite unanimous on this point. The inequalities in labour supply were no doubt partly due to the chances of enlistment—a matter merely of good and bad fortune. But they might also be attributed to the superior power of attracting workpeople possessed by certain firms. To this consideration there was, however, another side. Workpeople might be induced to leave one mill for another, not only by the legitimate attractions of better working conditions, but by illegitimate methods of bonuses and other concealed additions to their pay. Such practices were resented not only by the employers' associations, but equally by the trade union officials, as tending to undermine the method of collective bargaining. Accordingly the opponents of short time prevailed, and the Board decided to restrict the consumption of cotton by limiting the *percentage of machinery* which could be worked by any mill.

This decision taken, the most important problem that remained was that of safeguarding the interests of the workpeople. A census of cotton stocks, which the Board instituted immediately upon their appointment, revealed the fact that a substantial curtailment of production was urgently required. It was thus inevitable that large numbers of workpeople would be thrown out of work. To leave them without any provision was unthinkable. It was clear that no financial assistance could be expected from the Government. The Board therefore decided to couple their policy of restricting output with the payment of unemployment benefits to all workpeople thrown out of work in consequence of their regulations, and to raise the funds for this purpose by means of compulsory 'levies'



upon employers. The necessary powers were obtained by means of another Order made by the Board of Trade—The Cotton (Restriction of Output) Order, 1917. A scheme upon the above lines was speedily formulated and announced, and was brought into actual operation on the 10th September 1917.

In the remainder of this chapter I shall confine myself to the regulations by which the output of the mills was limited, and the 'levies' were obtained. The manner in which these funds were expended on unemployment benefits will be described in the succeeding chapter.

### A. *Spindles*

It has already been observed that the shortage of material was confined to American cotton. Not only were there adequate stocks of Egyptian cotton in the country, but their replenishment gave little reason for anxiety, as there was an outward balance of traffic to the Near East, and ships were accordingly always available to bring cotton home. But the spinning of Egyptian cotton (in some cases, along with Sea Island, the supplies of which were also adequate) and the spinning of American cotton form two clearly marked divisions of the spinning trade; being carried on not merely in separate mills, but in distinct localities. The Egyptian section, concentrated mainly in the Bolton district, is of course much the smaller of the two; comprising some 12,000,000 spindles as against some 46,000,000 spindles in the American section. What then was to be the position of the Egyptian section under the Control Board's scheme? Its production need not be restricted; none of its operatives need be unemployed. Was it to be called upon to bear its share of the burden of 'levies', raised for purposes in which it was not directly concerned? In actual fact it was called upon to pay throughout far more than its proportionate share, and, for a period of seven months, virtually the whole of the levies contributed by the spinning industry. This was effected in the following manner. The Board of Trade Order authorized the Control

Board to fix a maximum percentage of machinery which firms could work without licence from the Board, and to issue licences upon such terms as they chose entitling firms to work in excess of this percentage. The Control Board fixed upon 60 as the maximum percentage under this Order for American and Egyptian spinners alike. And, so long as a firm did not exceed this percentage, no levies could accordingly be exacted from it. They further announced that they were prepared to issue licences to spinners of Egyptian cotton up to 100 per cent., but to spinners of American cotton up to only 70 per cent., on payment of levies at a fixed tariff of  $1\frac{1}{4}d.$  per mule spindle and  $1\frac{7}{8}d.$  per ring spindle per week on all spindles worked in excess of the 60 per cent. Thus an Egyptian spinner, running all his machinery, as he would naturally do, if he had sufficient operatives, had to pay for the privilege a levy four times as great as could be obtained from any American spinner. Moreover, in November, when a further curtailment of the consumption of American cotton became necessary, the right to obtain licences to work in excess of 60 per cent. was taken away from American spinners;<sup>1</sup> and from then until the following June the whole of the levies derived from the spinning trade, which, as will appear later, far exceeded the levies derived from manufacturers, was furnished by the Egyptian section together with a small number of American spinners, who continued to receive licences because they were engaged on Government work, or for other special reasons. The levy rates, it should be observed, were reduced all round by one-half on the 10th December;<sup>2</sup> and the 'free' percentage to 50 per cent. on the 18th March 1918. It must be borne in mind that at this stage it was taken for granted that the curtailment of production must involve hardship for employers no less than for workpeople; and in these circumstances it seemed only fair that the Egyptian trade, to which fate had been relatively kind, should come to the assistance of less fortunate sections of the industry in time of trouble.

<sup>1</sup> See p. 72 for a tabular summary of the restrictions in force at different times.

<sup>2</sup> See p. 40. .

But the fact remained that Egyptian spinners were called on to provide the bulk of the funds, from which neither they nor their operatives derived any direct benefit. This remarkable arrangement was not imposed upon a disgruntled trade by the exercise of *force majeure*. On the contrary, Sir Herbert Dixon, the prime author, here, as always, of the Board's policy, was himself an Egyptian spinner ; and as the result of his personal appeals, and of those of Mr. Percy Ashworth, another representative on the Board of the Egyptian spinners, the scheme was endorsed by the Bolton Master Spinners' Association, and received from them in practice a loyal support and an ungrudging co-operation.

The arrangement had at once a great moral effect. It provided a dramatic demonstration of a readiness to subordinate sectional interests to the common good of the industry ; and did much to evoke in other sections a similar spirit. Above all, it inspired confidence throughout the trade in the imagination, the sincerity, and the disinterestedness of the Board and its Chairman.

### B. *Looms*

The regulations affecting the weaving industry were perhaps less happily conceived. The spinning situation was bound to result before long in a shortage of American yarns, while Egyptian yarns would be plentiful. But the demarcation between Egyptian and American is not nearly so sharp in weaving as it is in spinning. It is very common for manufacturers to weave cloth from American warp and Egyptian weft. Any attempt, therefore, to discriminate between different manufacturers, in accordance with the variety of yarn which they used, presented obvious difficulties. It was believed, moreover, that there were large stocks of yarn in the hands of both spinners and manufacturers. In these circumstances the Board decided against any compulsory curtailment of the output of the weaving sheds. Looms were treated like Egyptian spindles. A manufacturer could only run 60 per cent. of his looms without a licence ; but he could obtain a licence



to work all his looms, on payment of a weekly levy of 2*s.* 6*d.* on each loom run in excess of 60 per cent. On the 10th December the levy was reduced to 1*s.* 3*d.*

This arrangement was open to obvious criticism. For, if manufacturers exercised their right to work all their looms, the consumption of American yarns would exceed the restricted output of the spinning mills; and a scramble for yarns must soon result, coupled with a leap upwards in price. It was all very well for spinners to contend that manufacturers need not run their mills at full pressure unless they chose, and that it was surely no hardship to give them the option of doing so. Why, then, manufacturers could retort, have any control at all? Why not allow spinners also to 'go as they please'? Clearly because the force of competition must compel each individual concern to produce as much as it could, however detrimental this might be to the common interests, a consideration which applied as strongly to manufacturers as to spinners. But, at least, the position of the manufacturers was better in one respect, under the Board's scheme, than it would have been if they had been left outside the system of control. If they should decide voluntarily to curtail their output they would not have to face the trouble with their workpeople, which such a course would ordinarily entail, since the latter would be entitled to the Board's unemployment benefits. This did not make matters much simpler for the individual manufacturer, powerless beneath the pressure of competition; but it did make possible concerted action by local associations of manufacturers in districts where the trade was of a homogeneous and distinctive character. Accordingly, in Burnley, the manufacturers, by a resolution of the local association, binding upon all its members, decided to curtail their output to the 70 per cent. permitted to American spinners, or, failing this, to pay a levy to the Association of 5*s.* on looms run in excess of this amount. Similar action was taken at Nelson and Colne.

The situation thus created was in the highest degree anomalous and unsatisfactory. To adjust the output of looms and

spindles was a complex problem, involving many factors. There was no reason to suppose that the simple formula of the same percentage reduction in each case would solve it correctly. The task was one to be properly discharged only by the Control Board and for them to have continued to leave it to the chance and independent actions of local associations, possessing neither adequate information nor any sort of sanction, would have been tantamount to an abdication of their functions, than which nothing could have been less characteristic. Eventually, therefore, the Control Board took action, though not until Christmas, fully a month after American spinners had been cut down to 60 per cent., and when there were patent signs of a shortage of yarns. They then announced that no manufacturer (apart from the usual exceptions for Government work) would be granted a licence to run more than 70 per cent. of his looms. This limitation applied alike to looms on American and looms on Egyptian cloths. The task of discrimination was still regarded as impracticable. The idea underlying the arrangement was that if the Cotton Control Board succeeded in adjusting the relations of demand and supply for yarns as a whole, those for the separate classes of yarn would adjust themselves automatically. Over a considerable range of cloths, it is possible to substitute Egyptian for American yarns ; it was believed that such substitution was already taking place on a small scale ; and it was hoped that the extension of this practice would be stimulated by the new regulations, and would obviate either an undue scarcity of American or an undue surplus of Egyptian yarns. This was one reason why the percentage for looms was fixed higher than that for American spindles, but it was not the only one. Indeed, since Egyptian spinners, owing to lack of operatives, were not running 100 per cent. of their spindles, but on the average something nearer 80 per cent., the existing restriction of American spindles to 60 per cent. was estimated to have the effect of reducing the production of yarns as a whole to a level nearer 65 per cent. than 70 per cent. of the normal. But it was necessary to take account of the fact that in normal times the output of spindles

far exceeds the consumption of the looms of Lancashire, the balance of yarns being exported to the Continent, and that yarn exports had been severely curtailed during the war, though by no means eliminated.

In these circumstances, the margin of 10 per cent. between looms and American spindles was generally accepted as fair. Unfortunately the fundamental assumption on which the whole of this arrangement was based was not realized. The substitution of Egyptian for American yarns proceeded very slowly and was far from sufficient to counterbalance the enforced reduction in the consumption of Egyptian yarns by manufacturers who used nothing else. The Bolton spinners found their orders falling off. To have allowed the situation to develop until they were forced to curtail production on account of an artificial shortage of orders would have involved a gratuitous addition to the volume of unemployment. Accordingly the Board had now no alternative but to grapple with the problem of discriminating between American and Egyptian manufacturers. They embarked upon a series of concessions to manufacturers engaged on 'Fine Counts', which are described in detail in Appendix A. The process involved a number of regulations which were not only complex and cumbrous in the phraseology, but which in their administration made a heavy call upon the personal services of the manufacturer members of the Board. But the discrimination was more or less satisfactorily achieved, and by March the output of manufacturers consuming Egyptian yarns had been virtually freed from the scope of the compulsory limitations. Thus Egyptian manufacturers were placed in a position similar to that of Egyptian spinners. They could work 100 per cent. of their machinery, under licence and on payment of levies at rates which, however, were substantially increased by the introduction at this stage of a graduated scale for looms.



*C. The Equipoise of Spindles and Looms*

Meanwhile, however, no alteration was made in the percentage of spindles and looms respectively which could be run upon American cotton. Looms could still run up to 70 per cent. while spindles were confined to 60 per cent., although one of the original reasons for this margin, namely, the assumption that there would be a surplus of Egyptian yarns from which manufacturers could supplement their supplies of American, had disappeared. Moreover, on the 18th March 1918, when a yet further curtailment of production became necessary, the same absolute margin of 10 per cent. between spindles and looms was preserved, American spindles being reduced to 50 per cent., and looms to 60 per cent. (The percentage which could be run *without* licence was reduced both for spindles and looms to 50 per cent.) The discrepancy between looms and spindles was thus rendered proportionately greater; and manufacturers began to ask sardonically whether they would be licenced to run 10 per cent. when the American spinning industry was shut down altogether. Complaints that the policy of the Board favoured spinners at the expense of manufacturers gained in strength as the price of yarns steadily advanced, and as cases arose of manufacturers being compelled, owing to inability to obtain supplies, to shut down their works altogether for short periods of time. The Board, however, took no action to redress the balance until October 1918, when they found it necessary to order a complete stoppage of all looms for a period of a week. It will be convenient, however, to postpone to a later chapter, consideration of this and all other events which took place after the 10th June 1918, when the system of control was recast on a new basis.

The Board were thus never very successful in their handling of the relations between the spinning and manufacturing industries; and they never commanded in this section of their work the same measure of confidence in their disinterestedness and judgement as they did in their treatment of questions between American and Egyptian spinners, or even between

Capital and Labour. The problem was, however, a difficult one; and there were other factors than a bias in favour of spinners' interests to explain their reluctance to curtail the output of the weaving sheds.

These factors arose from the fundamental consideration that the proportion of labour to capital is far higher in weaving than it is in spinning. Despite the fact that the spinning industry supplies yarns not merely for the looms of Lancashire, but for export purposes as well, it employs fewer workpeople than the weaving industry. The pre-war employment figures were approximately 134,000 males and 155,000 females in spinning, as compared with 140,000 males and 260,000 females in weaving. A reduction of both spindles and looms by a common percentage must obviously cause a larger volume of unemployment in weaving than in spinning. But the actual experience of the Cotton Control Board showed a disproportion larger than the above figures would indicate; this was no doubt due largely to the fact that the extra labour in weaving consisted mainly of women, and of women living in districts where the opportunities of alternative employment were far rarer than in spinning districts. It was attributed also to the different method of 'playing off' adopted in the weaving industry from that prevailing in the Cardroom section (where most of the women employed in the spinning industry are engaged); and it thus had an important bearing on the 'rota' controversy to be described later. But, whatever the explanation, the fact was striking. From the earliest days of the Board's scheme, even when unemployment on the weaving side was confined to that arising from the self-denying ordinances of Burnley, Nelson, and Colne, it was the weaving operatives who received the lion's share of the Control Board's unemployment benefits. It was thus no light matter for the Board to curtail looms by an extra 10 per cent., and it was only natural that in case of doubt they should prefer the risks of allowing too many looms to run, to those of an unnecessarily drastic restriction.

On the other hand the weaving industry contributed only

a small part of the levies. It was natural to take as the basis of the levy system the traditional formula of twenty-four mule spindles to one loom<sup>1</sup> which has long been used for the assessment of contributions to employers' associations and for similar purposes. This formula, properly enough, attempts to measure financial strength; and the weaving industry, while it employs more workpeople, accounts for a far smaller capital than the spinning industry. Thus, it came about that the levies received from manufacturers, despite an attempt to increase them, by the introduction on the 18th February of a graduated scale applying to looms alone, were never commensurate with those paid by spinners, and, indeed, at many periods amounted to only a fraction of what was paid out to their workpeople in benefits. In short, the money which was paid away mainly to the operative weavers was contributed mainly by the master spinners. This was not a serious grievance to the spinners, nor was it ever advanced by them as such. But the decent obscurity under which the fact was allowed to rest did not prevent it from exerting an underlying influence. It was vaguely felt to provide some sort of answer to the complaints of manufacturers that, in the far more vital matter of the price of yarn, the Board's policy was playing into the spinners' hands.

But it must not be supposed that such sectional jealousies were uppermost in the minds of the employers, or formed the main element in their attitude and response to the Control Board's policy. The predominant feelings were those of approval and relief. From the brief outline given above of the successive regulations it will be apparent that the shortage of American cotton grew steadily more acute throughout the period under review. We have seen that the output of the spinning mills was reduced to 70 per cent. in September 1917, to 60 per cent. in November, and to 50 per cent. in the following

<sup>1</sup> Hence, for instance, the original levies of 2s. 6d. per loom, and 1½d. per mule spindle run in excess of 60 per cent. A ring spindle was for the same reason reckoned as equivalent to 1½ mule spindles; and a loom over 72 inch space as equivalent to two ordinary looms.



March. Nor was this the end. In June 1918 it became necessary to supplement the restrictions of machinery with short time ; and the weekly working hours were reduced from the normal 55½ to 40. Here was a situation which might fairly be compared with the black days of the Civil War. How different the results ! In place of confusion and ruin, each concern found its position maintained relatively to its competitors, while the financial prosperity of all improved by leaps and bounds. Manufacturers might have their little grievance against spinners ; and, indeed, it was in the spinning industry that the advance of prices and of profits was most marked. But if immense excess profits were not quite the universal phenomenon in the weaving industry that they were in spinning, they were common enough ; and judged by normal standards, the manufacturers, too, had a prosperous time. Moreover, each fresh curtailment of output served only to accentuate the general prosperity. Nothing wonderful in this, the reader may exclaim ; high prices and profits are the normal results of a restricted supply and an unrestricted demand. True, and the men of the cotton trade are well aware of it ; but then they had the events of the Civil War deep in their consciousness, and, with all of us, the soundest *a priori* reasoning is apt to pale before the apparent lessons of experience.

Thus, through all vicissitudes ; the verdict of the employers was firm that the Control Board was doing splendid work. For some time, indeed, their attitude approached an ecstasy of appreciation, and, though this sentiment cooled somewhat as the sense of danger waned and sectional grievances emerged, it never disappeared as would probably have happened if the control had been administered by an ordinary Government Department. For the fickle sentiment of gratitude was merged in the more enduring one of pride. It was *their* Board which had worked these wonders, a Board of practical men, the recognized leaders of the industry. Acting through this agency it was they themselves who had contrived, like Wordsworth's happy warrior, to turn their necessity to glorious gain. To the solid realities of fat balance-sheets was added

the emotional satisfaction of having demonstrated that the affairs of the cotton trade could be managed far better by cotton men than by the bureaucrats of Whitehall. Nor was this all. Employers felt that they could congratulate themselves that, in dealing with their immediate emergency, they had not neglected the problems of the future. The levies which they were called upon to pay were of no great moment in those days of an Excess Profits Duty of 80 per cent. ; but in return for them, as we shall see later, they received a *quid pro quo*, in the form of the acceptance by the workpeople of lower wages than would otherwise have been inevitable. This seemed to them a far-sighted and excellent bargain ; for when the emergency passed, the levies, too, would automatically disappear, while any reduction of wage rates which might later be essential to the existence of the trade would prove a thorny problem. Here, as it happened, the employers overreached themselves ; and their disposition to argue that the levy payments must be regarded as constituting *pro tanto* an advance of wages, led to trouble, without yielding them any ultimate benefit. But it was long before such clouds appeared on the horizon. At first all went as merrily as a marriage bell ; and, as another consequence of the Control Board's scheme, a marked improvement in the relations of Capital and Labour seemed to have taken place. For, if there were some features of the scheme which appealed to the employers, there were others which delighted the operatives and their leaders. And the latter joined with the former to swell the chorus of praise.

## CHAPTER IV

### UNEMPLOYMENT BENEFITS AND THE ROTA SYSTEM

THE Board's arrangements for the payment of unemployment benefits were of the simplest kind. It was out of the question to create an immense administrative organization with offices and staff in each locality. The organization of the trade unions was well adapted for the purpose. The Board decided accordingly to devolve upon the trade unions the task of paying out the benefits to all operatives, unionists and non-unionists alike. A scale of payments was issued by the Board, and certain rules were laid down as to the circumstances which entitled operatives to claim these payments. For the rest, the Board's part in the work was confined to the remission of cheques to the unions either in advance, or in repayment of sums already spent.

In the working of this system the union officials enjoyed a wide discretion. The regulations issued by the Board were contained on a single sheet of paper, and were of the nature of indications of general purpose rather than hard and fast rules. Thus the scale of payments provided that adult Men were to receive 25s. per week, adult Women 15s., and young people (if full timers) 12s.;<sup>1</sup> but it was expressly added that 'the term "young people" must be interpreted broadly. The question of age must not be the sole determining factor, but the actual work and wages earned and family circumstances must be taken into consideration along with the question of age'.

The conditions entitling workpeople to receive payment were likewise formulated in very general terms. Some of them were to assume great importance in connexion with subsequent

<sup>1</sup> The scale of payments was later supplemented by an allowance to unemployed parents of 1s. per week in respect of each child under 13 years. In August 1918, when the benefits were increased by 20 per cent. all round, this allowance was raised to 1s. 3d.



controversies, and it will be convenient, therefore, to set them out in full (the black type is that of the original) :

‘ (A.) Payments are to be made only to workpeople unemployed as the result of the restrictions of the Cotton Control Board, and **not to workpeople unemployed for other reasons.**

‘ (B.) A worker who is offered work at another mill at his own job and refuses, without reasonable grounds, to accept such work, is not to receive any payment.

‘ (C.) **No payment will be made for short time working or for reduced earnings.**

‘ No worker is entitled to receive payment unless he or she is entirely stopped for at least a week, except that

‘ (D.) Workers who are “ playing off ” a week under the scheme, and who are called upon to work as substitutes for a portion of the week, will be entitled to the proportion of unemployment payment for the days stopped, in addition to any wages they may earn.

‘ (E.) Workpeople who are stopped for more than a week are entitled to receive payment for each additional day for which they are stopped.

‘ (F.) Non-unionists are entitled to receive payment at the same rate as Unionists.’

The first two of these regulations were clearly open to various interpretations. Who was to decide whether any particular worker was to be regarded as unemployed ‘ as the result of the restrictions of the Cotton Control Board ’, or ‘ for other reasons ’, what grounds were ‘ reasonable ’ for refusing work at another mill, or whether any particular youth of 17 was to be classified as an adult, or a young person ? It was not the original idea that these matters should be left to the unrestricted discretion of the various union officials. On the contrary the Board intimated that it was desirable that these and ‘ any other points of detail should be settled locally by the joint committees of employers and employed ’. They took, however, no steps to secure the formation of these committees. The matter was left to the spontaneous action of the employers’ and operatives’ associations in the various districts. The

resulting practice varied. In spinning districts, the joint committees were never formed. In most manufacturing districts a joint committee was set up ; but the degree of its activity varied enormously from place to place. In almost every district the union officials exercised a relatively free hand ; and, in so far as they were subject to instructions, were accustomed to receive these from the superior hierarchy of their own organization.

These, however, were matters of detail. There was another question, the determination of which the Board allowed to pass from their hands, on the assumption that it too was a matter of detail only, which in practice involved a fundamental issue of principle. Who was to decide which particular workpeople were to be selected for unemployment ? If this were left to the individual employer the door would be open to ' victimization '. The trade-union leaders insisted that the employer should be governed in this matter by clearly-prescribed rules ; and the Board at first envisaged the formulation of such rules as the most important function to be discharged by the local joint committees. The matter was not, however, settled locally. The central organizations of employers and employed met together and agreed upon a policy applicable to all districts. The agreement was a very simple one, but its importance was immense. For all sections of workpeople, with the important exception of the ' cardroom ', it was agreed that the necessary unemployment should be based on the principle of rotation. The agreement was promptly endorsed by the Control Board and the ' rota system ' thus came into operation.

The ' rota system ' meant that none of the workpeople, to whom it applied, were unemployed in the ordinary sense, but all took it in turn to ' play off ' for periods of a week. In a mill, for instance, which was allowed to work only such a proportion of its machinery as enabled it to employ 80 per cent. of its remaining operatives, each operative would work for four weeks, and for the fifth week would ' play off ' and receive the Control Board benefit. The objections to such a system at such a time are obvious. It is true, as was pointed out in the first chapter,

that the highly localized character of the cotton trade would have made it impossible to absorb the great mass of its workpeople in other occupations. But alternative possibilities of employment existed on a small but ever-expanding scale, particularly in the spinning districts. To have required cotton operatives to accept employment outside their industry, under penalty of forfeiting their unemployment pay would have grossly offended the general sense of what was right and reasonable. But if the displaced operatives had been out of work for a continuous period of indefinite duration, drawing pay at the modest rates of 25s. for a man and 15s. for a woman, it would have been natural to expect that some would have preferred on their own account to try their hands at a new job, and that in this way such urgent national demands for labour as existed in cotton districts would have been satisfied, while there would have been a steady decline in the numbers drawing on the Control Board funds, which might have served to keep pace with the additional burdens which the successive curtailments of production involved. This actually happened among the Cardroom workpeople whose leaders refused to accept the 'rota' principle, and insisted that the 'latest comers' must be 'played-off continuously'. But naturally there was no such tendency among the operatives 'on rota'. They were not unemployed: they were still attached to their particular employer, and would be working again at the mill in the following week. It was, indeed, impossible under the operation of this system to enforce the policy, implied in Rule B above, of requiring operatives, under penalty of forfeiting their Control Board pay, to fill vacancies at other cotton mills, and the rule became virtually a dead letter. For none of the operatives were anxious to employ their 'rota' week, which they came to prize, in work at another mill; and since the personnel of those on rota changed each week, some days usually elapsed before the union officials were aware of the names of the operatives whom they might require to go. Mills which were engaged mainly on Government contracts, and could therefore obtain licences to run most of their machinery, were usually in a position



to employ additional workpeople. It was therefore not an uncommon event for large numbers of operatives to 'play-off' each week, including, perhaps, among their number men of military age exempted from the army as 'indispensable' in a district where the fulfilment of government contracts for cotton goods was delayed for lack of workpeople. The evils of the situation were, perhaps, more spectacular than real. The military authorities might be trusted to see to the 'calling-up' of any surplus of men of military age. The great mass of the women in the spinning industry were employed in the Cardroom, and were, therefore, not on rota; in the weaving districts the possibilities of employment outside the industry were never considerable; while any check to production of cotton goods needed by the Government could easily be rectified by a wider distribution of the orders. None the less the spectacular effect was striking, and made it difficult to defend the rota system from the standpoint of the public interest.

But, as can easily be imagined, its popularity among the operatives was immense. Not only did it apportion the burden of unemployment equally among them, it had the magic effect of turning it into a positive blessing. Allowances of 25s. or 15s. are miserable enough as incomes upon which life, week after week, must be sustained. But as the periodical variants of full wages, and the accompaniments of a full week's holiday, they assumed a much rosier aspect. The vast majority of the operatives affected were women; and their periods of 'playing off' yielded as a rule a full equivalent for the reduction of earning-power in the services which it set them free to render, in the home, whether their own or their parents'. Above all the whole character of their existence was rendered infinitely more congenial. The weary monotony of factory work was pleasantly broken by regular intervals of 'play' to which no anxiety attached. The round of life became less burdensome, more varied, and more agreeable. The rota week became a cherished institution, and some employers, who were successful in obtaining licences to work the whole of their mills, found their operatives grow restless at being denied its privileges.

For this delightful arrangement the operatives gave the Control Board more credit than was perhaps their due. For, as we have seen, it formed no part of their original conception, and their responsibility for it was essentially that of an accomplice after the fact. But it had become part and parcel of the 'Control Board scheme', and to the operatives it was the most attractive feature. It was not, however, the only one that appealed to them. To receive their Control Board pay they were not required to comply with any unfamiliar or irksome formalities, such as were inevitably a feature of the Government's Out-of-Work Donation scheme, and would have been alone sufficient to forbid an enthusiastic reception. All that they had to do was to present themselves at their trade union office, and there, after no other formalities than were the customary union practice, they received their pay from their familiar branch official.

To the trade union officials the whole arrangement was peculiarly agreeable. Without any encroachment upon their own carefully accumulated funds, they had all the pleasure of paying out to their members benefits upon an unprecedentedly generous scale, with a satisfying sense that it was in a large measure their scheme and that credit was due to them. When it came to paying a non-unionist, the pleasure was heightened for most by the excellent opportunity afforded for a little homily. For their trouble they received certain small but welcome allowances from the Control Board proportioned to the number of workpeople whom they paid. They enjoyed, as we have already seen, a wide and congenial discretion in the interpretation of doubtful points of detail. Above all, even in the accounting for their financial stewardship to the fountain-head of the bounty, they were subjected to the very minimum of 'red tape' in the shape of returns and vouchers and prescribed administrative rules. The Control Board was complacency itself in all such matters. A good illustration of their attitude is provided by the following sentence occurring in the original regulations, from which quotations have already been made: 'In cases where no other satisfactory check (i. e. as to whether

an operative was entitled to benefit) is used it is desirable that applicants should be given cards, copies of which can be obtained from the Control Board on application, to be signed by employers certifying that they are temporarily unemployed under the scheme.' In other words, if the unions had methods of their own, with which they were content, the Control Board were also content. Only in the event of a union feeling that its methods were unsuited to the emergency did the Board venture to suggest that a particular form of check was desirable. On this point, indeed, the Board later modified their policy, insisting that the production of a card signed by the employer should be universal; but there was no alteration in the general attitude which this curious regulation symbolized. The Board placed implicit confidence in the unions and in their officials, trusted them to pay out its money in accordance with the spirit as well as with the letter of its rules, and deemed it unnecessary to exercise any supervision to see that they actually did so. Whenever, as occasionally happened, the Board intervened with a formal ruling upon a point which had hitherto been left open, it was because friction or inconvenience had resulted from variations of practice, and the union officials themselves desired an authoritative decision. The Control Board were throughout content to receive from the central offices of the unions returns showing little more than the total sums expended by the various branches, and never sought to go behind them. The looseness of the system of control would have scandalized a Treasury official.

But in the circumstances<sup>1</sup> it was profoundly wise and fully justified by the event. The most essential condition, as the Board well judged, not merely of the success of their whole policy, but of the prevention of abuse in the payment of the benefits, was the whole-hearted co-operation of the union officials. No system of paper certificates or checks would have been an adequate substitute for the intimate knowledge and ready means for acquiring knowledge which the ordinary union official

<sup>1</sup> i. e. under a temporary scheme. I do not wish to suggest that so lax a system would be practicable in connexion with any permanent measure.



possessed in regard to the workpeople whom he paid. His personal honesty in money matters could be taken for granted. His methods, on the other hand, were frequently far from businesslike ; and had he been required to fill in the detailed forms and schedules, which a Government Department would certainly have required him to do, he would have felt quite unduly galled and harrowed, and would have tended inevitably to confine his sense of responsibility to the task of producing forms which would pass scrutiny. As it was, he recognized an obligation to be not only circumspect but vigilant. He felt a responsibility for any wrongful payments which the consciousness that he had complied with the prescribed regulations was not strong enough to dim. Where cases of abuse occurred, it was he that discovered them and followed them up. And, as the result, it may be confidently hazarded that the proportion of wrongful payments under the Control Board's scheme was not a fraction of that which occurred under the Government Out-of-Work Donation scheme, with all its provisions for repeated signings-on at the Labour Exchanges and the rest of its elaborate machinery.

The operatives and their leaders had thus good reason to approve of the general character of the Board's policy ; and their appreciation was generously expressed. No grudging or carping note, no disposition to impute interested motives, emerged to mar the cordiality of their approbation. In their case, too, it was merged in something of the pride of authorship. But, besides this, there was a warm recognition of the part played by the guiding hand of Sir Herbert Dixon. His was the main inspiration, it was rightly guessed, in the genesis of the whole scheme ; his was the sympathetic and large-minded temperament which was ready to subordinate red-tape to a spirit of confidence and trust. Few employers can ever have enjoyed among so large a community such a popularity as for a brief period was his. And here, too, the feeling could be tinged not only with affection but with pride. For Mr. Dixon (as once more we will call him with a purpose) was a cotton man ; and, whatever may be the case in other trades, the distinction

between employers and operatives does not yet suffice in the cotton trade to obliterate all other marks. And so, towards the end of 1917, the suggestion appeared in an operatives' journal<sup>1</sup> that an appropriate item in the forthcoming New Year's Honours List would be the new style of Sir Herbert Dixon. Whether or not official quarters needed prompting in the matter, the suggestion was duly adopted and Mr. Dixon became a baronet amid general acclamation.

<sup>1</sup> *The Cotton Factory Times.*

## CHAPTER V

### WAGES QUESTIONS AND THE BOARD

WE have now to see how a rift occurred in the Control Board lute and destroyed much of the harmony which has been described in the preceding pages. An important source of the trouble lay outside the strict limits of the Board's sphere of activity. This was a growing feeling of discontent on the part of the operatives with the wages settlements which they secured. Since the members of the Control Board were unanimous and emphatic in declaring that the Board had no business to concern itself with wages questions, many of them going so far as to intimate that they would decline to remain members of the Board if it attempted to meddle in this sphere, it might be supposed that whatever reactions wages settlements might exert upon their work, no responsibility could be laid at the door of the Control Board. In reality, however, their responsibility for what occurred was paramount, if indirect.

At the commencement of the Board's life, and long before their main scheme of control had come into operation, applications for advances of wages had been put forward by the various trade unions. These demands had taken time to formulate and to mature, and they had originated before the crisis of the end of June which had led to the Control Board's appointment. Since the crisis was generally recognized as having altered the whole situation, and since it constituted, in the general anticipation, a severe blow to the prosperity of the trade, it is probable that the union negotiators would not have been disposed in any case to press their demands very strongly. In these circumstances it did not seem unreasonable that the Control Board, with the object of securing the fairest trial for their projected scheme, should make its introduction conditional upon the withdrawal of the wages demands. The operatives' leaders had no hesitation in complying with this condition. The applications were withdrawn, and the Board's scheme was



introduced, in the first instance as an experiment for a period of three months, for the duration of which, it was agreed, wages were to remain unchanged.

As the termination of this period drew near, it became evident that it would be impossible to postpone any longer a substantial increase of wages. It was already overdue. It will probably come as a surprise to many readers when it is stated that as late as December 1917 the cotton operatives were receiving wages representing less than a 20 per cent. advance upon pre-war rates. This was the outcome of three successive settlements, when wage-rates had been advanced twice by 5 per cent. and once by 10 per cent. upon the basis of the Standard Lists. Since these Lists date from many years back, and actual wages were already 5 per cent. above the Lists when the war commenced, the percentage increase on pre-war rates was thus just over 19 per cent. Wages in the cotton trade had thus failed to keep pace either with wages in other industries or with the cost of living, both of which were, moreover, increasing with a gathering momentum. The only grounds upon which it would have been possible, in these circumstances, to resist a further large advance would have been that of the inability of the trade to afford it. Such a plea could no longer be put forward. Profits had not, indeed, reached the dizzy heights which they were later to attain, but they were very comfortable, and there was no reason to expect any decline.

Applications for substantial advances accompanied by the conventional strike notices were again put forward by the trade unions. In face of this development, what attitude were the Control Board to assume? The most obvious and, it may seem, the most appropriate course would have been for them to announce the continuance of their control scheme for a further indefinite period, and to leave it to the employers, if they chose, to use the argument of the levies for whatever it might be worth in the wages negotiations. This, indeed, was the only course which was really consistent with a policy of non-intervention in wages questions, since it was no longer plausible to maintain that an excessive advance of wages might render their whole policy impossible. But it would not have suited the employers'

book. For the bargaining value of the system of levies and unemployment benefits would obviously be far greater if it were held in reserve as something which might or might not be continued. Treated in this way, indeed, it was a trump card. For the system, as we have seen, not only appealed very strongly to the operatives, but had a peculiar charm for their leaders, to whom it would fall to conduct the actual negotiations. To their minds the withdrawal of the levy system meant first and foremost the inevitable dissipation of the union funds in unemployment pay ; the union funds which they had carefully husbanded and guarded over long years through many perilous situations ; the union funds which were at once the measure of their achievement and the basis of their power. Human nature would not be what it is, if the union leaders had not envisaged such a contingency as a disaster, for which no attainable advance of wages would have been an adequate recompense.

The policy actually adopted by the Control Board was as follows. They announced ostentatiously that the payment of unemployment benefits would terminate on the 8th December ; and that although employers would still be subject to restriction as regards the machinery which they could run, the payment of levies would no longer be a condition of obtaining a licence. At the same time they approached the associations of employers and operatives with the ' suggestion ' that in their forthcoming negotiations they should consider the possibility of an agreement on the basis of a ' modified ' wages advance and a modified system of levies and unemployment pay. This was a curious basis for negotiation ; for, although the second item was defined to mean levies at one-half and unemployment benefits at three-quarters of the former rates, no definition was or could be offered of what constituted a ' modified ' wages advance before any agreement had been reached as to an unmodified one, and especially by a Board which disclaimed the notion of settling wages. But the essential meaning of the suggestion was clear. The Control Board did not really intend to abolish the unemployment payments, but their continuance was to be conditional on a wages agreement satisfactory to the employers.

But if the Control Board's scheme was thus to be made an integral part of the wages bargain, negotiations might clearly be hampered, if no one was present who could give an authoritative ruling as to the Board's intentions on any doubtful point, and perhaps commit them to concessions, if this should appear to facilitate a settlement. This difficulty was obviated by the invitation to Sir Herbert Dixon to fill the rôle of mediator between the parties. It is true that this invitation was extended to him in his personal capacity, and not as Chairman of the Board. But this piece of virtuosity did not affect the reality of the proceedings. When the issue of a protracted conference still hung in the balance, Sir Herbert Dixon clinched a settlement by undertaking, on behalf of the Board, to waive the 25 per cent. reduction of the unemployment rates. The parties thereupon signed a two-clause agreement. The first conceded a further advance of wage-rates of 15 per cent. upon the Standard Lists; by the second the employers agreed to the payment of such levies to the Control Board as were necessary for the maintenance of the unemployment benefits at their full existing rates. The agreement was signed on Thursday the 6th December 1917, only two days before the strike notices were due to expire; but the cotton trade is familiar with eleventh-hour settlements, and had never seriously contemplated a stoppage. It was to run for a period of six months, terminating on the 8th June 1918.

The settlement was at first favourably received on all sides. The employers had succeeded in keeping wages down to a level which still represented a far smaller percentage increase on pre-war rates than was general throughout the country, while at the same time their levy obligations were halved. For the Board adhered to their expressed intention on this point, despite the maintenance of the original scale of unemployment pay. The original levies, which had been fixed before the unemployment commitments could be accurately estimated, had yielded a generous surplus, which it was hoped would be sufficient, together with the diminished weekly receipts, to tide the Board over the next six months. These hopes were realized; and though the Board held themselves free to increase the



levies at any time, should necessity arise, and though, as was noted in Chapter III, they actually increased the rates for manufacturers running a large percentage of looms by the introduction of a graduated scale, the general basis of the levies remained unchanged until the 10th June 1918.

The operatives, for their part, were not disposed to be dissatisfied. Though the wages which they were receiving were even now only one-third above the pre-war level, 15 per cent. upon the Standard Lists was none the less an advance unprecedented in the history of the trade. The masters and men of the cotton industry are notoriously hard bargainers, and they are proud of it not only in themselves but in each other. Munition workers might succeed in extorting fabulous sums from a weak-kneed Government; but to be up against 'The Federation' or 'North-east Lancashire' was a very different proposition, as the cotton operatives recognized with a soberness not uncoloured with respect. In these circumstances an advance of 15 per cent. at a single bound was an achievement not to be despised. Moreover, the Control Board scheme was to continue, with all its delightful features, the institution of the 'rota' week and the preservation of the union funds.

None the less, the circumstances surrounding the wages settlement operated subtly and insensibly to transform the psychological character of the Control Board's scheme and to undermine its moral effect. For if the levies were not to be regarded as the generous recognition by the employers of their obligations to their workpeople in time of trouble, but rather as one side of a bargain for which a *quid pro quo* was rigorously exacted in the wages-bill, what became of the fine spirit displayed by the Egyptian spinners in submitting to levies from which they derived no benefit? They received a very tangible return in the shape of lower wages. The sacrifice of selfish to common interests was made rather by the operative spinners and cardroom workers of Bolton. Again, if the unemployment benefits were in reality a kind of deferred wages, were not the Control Board funds really the operatives' money, should it not rest primarily with the operatives to determine their disposal, and had they not a right to resist vigorously a regula-

tion in that connexion of which they disapproved? These were new aspects of the situation, which for the time being were but obscurely apprehended, but which were bound to leap into sharp prominence if ever serious grievances should arise.

Discontent with the December wages settlement began to manifest itself long before the six months had run their course. This was due to the growing size and the growing obviousness of the profits that were being made. As is hardly surprising, profits reached their highest point in the American branch of the spinning industry, where the curtailment of supply was greatest,<sup>1</sup> and since the American spinners paid little or nothing in levies, it was evident that the several items of the general scheme were working with a singular concord to their advantage. But other sections of employers shared in a lesser measure in the general well-being. The prices of yarns and cloths soared ever higher, acquiring a fresh buoyancy from the further cut in production of 10 per cent. in March. The mill balance-sheets which appeared one by one in the local press placed the existence of enormous profits beyond the possibility of dispute; and the only room for doubt was as to whether the disclosures were complete. Inevitably, the operatives turned over in their minds their advance of December, and came to regard it in a different light. In June, they were resolved, they would insist on something far more substantial; and with this end in view, an application for a further advance of 30 per cent. on the Standard Lists was formulated, and was presented in due course on the common behalf of all sections of the operatives. Before, however, the application had passed beyond the preliminary stages of the recognized procedure, Jove hurled a thunderbolt. On the 18th May the Control Board announced a new policy; and among its features were the introduction of short time and the abolition of the rota system.

<sup>1</sup> The price of raw cotton was subject to maximum price regulations administered by committees at Liverpool under the Board of Trade's authority (see Preface). The merchants, though they did well enough, were thus precluded from sharing to the extent to which they might otherwise have done in the harvest of profits, and the spinners were left to reap the benefit. The anomalies of partial price-control could hardly be better illustrated.

## CHAPTER VI

### THE NEW SCHEME AND THE WAGES SETTLEMENT OF MAY 1918

THE new policy of the Board was a sequel to the German Spring offensive. It was framed amid all the uncertainties and anxieties of the most ominous period of the war. For the cotton trade, indeed, the uncertainty was of a purely negative order. The immediate implications of the situation were translated into precise and drastic terms. The Shipping Controller, who had been diverting ever more and more tonnage from cotton to munitions and food, was now moved to altogether sterner action. He decreed the complete suspension of shipments of American cotton for a period of two months ; he left in doubt only the question as to whether they would be resumed thereafter.

For the meantime, therefore, there was no option but to run upon stocks. But the stocks were very small. A census taken by the Board on the 27th April revealed the fact that the 'unsold' stocks of American cotton at Liverpool had fallen to 32,000 bales, which would not have supplied the restricted needs of the spinning mills for a single week, and most of which was known, moreover, to be of very poor quality. The stocks held by spinners were much more substantial ; but they were unevenly distributed. In all, the total stocks in the country were less than half a million bales, and even if they had been distributed equally among the different mills, they could not have been expected to suffice on the existing scale of production for more than eleven weeks.

Another drastic cut in production was thus imperative. It was, however, equally plain that this could not be effected by a further limitation of the percentage of machinery. Technical



reasons made this impossible. To run the engines of the steam-driven mills with less than half the machinery at work would not be compatible with safety. Short time was the only alternative; and it was decided accordingly to reduce the weekly hours of American spinning mills and weaving sheds alike from  $55\frac{1}{2}$  to 40. This was effected not by a reduction of the daily hours, but by a stoppage of the mills each Saturday and Monday.

This did not in itself increase the financial obligations of the Board, for it did not increase the number of workpeople unemployed either continuously or on rota, and the Control Board never contemplated the idea of paying the operatives for short time. None the less an increase of the levies was necessary; for the Board's receipts during the last six months had not equalled their expenditure, the balance having been made good by drawing on the reserve accumulated during the preceding quarter. There was, moreover, a graver consideration which it was necessary to take into account. The future supplies of cotton were entirely problematical; the reduction of working hours would help to conserve the scanty stocks for a few weeks longer; but it was quite uncertain whether this restriction would suffice. It was necessary to envisage the possibility of yet more drastic measures, perhaps even the complete stoppage of the American section of the trade. If this or anything like it should occur, an enormous and unprecedented expenditure would be incumbent upon the Board. The Control Board payments would then be the only thing to stand between the operatives and utter destitution, between Lancashire and social disorder. Nor would it be practicable to wait until the emergency should arise, and then set about to raise the necessary funds. Levies could be exacted only when the mills were at work. The Control Board, therefore, recast their system of levies so as to produce a greatly increased revenue, far in excess of their immediate requirements. It is easy to say in the light of after events that in so doing they exaggerated the perils of the situation; but if they had failed to do so, and the shipping position had remained unrelieved,

they would have exposed themselves to far more serious and more legitimate criticism.

Apart from the need for an increased revenue, one important change in the levy system was obviously desirable. In view of the high profits which American spinners were making, their virtual exemption from the burden of levies could no longer be justified. The Board decided, therefore, to base their levies, not as formerly upon the excess of machinery run over a given percentage, but upon the whole of the machinery at work. Mills permitted to work a large percentage of machinery were, however, subjected to specially high rates of levy by the introduction of a sliding scale. It will be convenient to set out in full the new scale of levies as it appeared in the Board's regulations :

*Levies.*

Mule spindles will be subject to the payment of the following scale of levies :

On Egyptian, Sea Island, Surat, and Waste.

(Running  $55\frac{1}{2}$  hours per week.)

[When working]

Up to and including 50% of the total spindles	$\frac{1}{4}d.$	per spindle per week on all spindles working.
Over 50% & up to 60%	$\frac{3}{8}d.$	" " " "
Over 60% & up to 70%	$\frac{1}{2}d.$	" " " "
Over 70% & up to 80%	$\frac{5}{8}d.$	" " " "
Over 80%	$1d.$	" " " "

American, &c., and Mixed Mills.

(Running 40 hours per week.)

[When working]

Up to and including 50% of the total spindles	$\frac{1}{8}d.$	per spindle per week on all spindles working.
Over 50% & up to 60%	$\frac{3}{16}d.$	" " " "
Over 60% & up to 70%	$\frac{1}{4}d.$	" " " "
Over 70% & up to 80%	$\frac{5}{16}d.$	" " " "
Over 80%	$\frac{1}{2}d.$	" " " "

*Note.*—The above scale refers to mule spindles. A ring spindle will for all purposes be counted as equal to  $1\frac{1}{2}$  mule spindles.

For looms up to and including 72-inch reed space.

(Working 40 hours.)

[When working]

Up to and including 60% of the total looms	$3d.$	per loom per week on all looms running.
Over 60% & up to 70%	$6d.$	" " " "
Over 70% & up to 80%	$9d.$	" " " "
Over 80% & up to 90%	$1s.$	" " " "
Over 90% & up to 100%	$1s. 3d.$	" " " "

*Note.*—On all looms over 72-inch reed space the above levies will be doubled. For looms specially licensed to work  $55\frac{1}{2}$  hours, the levies will be increased by 50 per cent.

The enormous increase of revenue which this scale was calculated to yield will be readily appreciated. An Egyptian spinner running 80 per cent. of his spindles had hitherto been paying a levy of  $\frac{5}{8}d.$  upon the excess over 50 per cent., i.e.  $\frac{5}{8}d.$  upon 30 per cent. of his spindles. He was now required to pay  $\frac{5}{8}d.$  upon 80 per cent.; his levy was thus increased in the proportion of 8 to 3. If he obtained a licence to run 100 per cent., the proportionate increase would be still greater, amounting to 16 to 5; but another feature of the Board's new scheme was the restriction of Egyptian spinners in ordinary cases to a maximum of 80 per cent. of their machinery. This did not imply any scarcity of Egyptian cotton, nor was it of any great consequence. Few Egyptian spinners were now running much more than 80 per cent., owing to lack of operative spinners; and it was desired to remove the temptations to a competition for operatives. An American spinner had not as a rule been paying any levies at all; he would now be liable to a rate of  $\frac{1}{4}d.$  upon 50 per cent. of his spindles, which would amount to two-thirds of the levy hitherto paid by an Egyptian spinner, with a mill of the same size, and running 80 per cent. of his spindles. Since the American section contains roughly four times as many spindles as the Egyptian, it was obvious that the funds which would accrue from this source must be very large. The levies payable by manufacturers were also substantially increased; but, as has already been explained, these formed a relatively small proportion of the total.

But the most striking feature of the new scheme was the abolition of the rota system. Financial considerations played a certain part in the decision. It could not be doubted that under 'continuous unemployment' a certain number of operatives would drift away into other occupations and that the Board's funds would be correspondingly relieved. This consideration assumed a measure of importance, when the outlook was so threatening, and no limit could be set to the financial outlay that might become inevitable. Events had also served to strengthen the appeal to the public interests in securing an economical utilization of the nation's dwindling



labour power. The idea had been mooted a little time before of the establishment of aircraft factories in the cotton districts ; but the Ministry of Munitions, when they looked into the matter, discovered that the prospect of an abundant labour supply, which to them was the chief attraction, was not to be relied on so long as the rota system prevailed ; and it is, perhaps, not without significance that the only district in which the project materialized (though even there, as it happened, the works were not completed until the war was over) was that of Oldham, where the women workers are mostly employed in the cardroom. But the consideration that carried most weight was that of the effect of the rota system on the cotton employers themselves. The ' calling up ' for the Army of men of military age had more than kept pace with the successive curtailments of machinery, and there were now many spinners who had insufficient male labour to run the permitted percentage. Female labour was thus thrown out of work, unnecessarily as it appeared, and meanwhile there would always be a number of men in the same town abroad in the streets ' on rota '. The effect of this in the long run may not have been very serious, for it went to conserve the supplies of cotton, and thus either to avert the necessity for further restrictions, or to bring nearer the day of their relief. But such reasoning could avail little against palpable and glaring anomalies, and inasmuch as operatives on rota could all the time be required by the Board's regulations to work at other mills, but almost invariably refused to do so, the whole situation appeared to employers to amount to a positive scandal. On the manufacturing side, the growing shortage of yarns afforded an additional argument ; for under the rota system, coupled with the indisposition of any weaver to work on another's looms, it was necessary to keep 100 looms filled with warps, in order to enable, say 60 or 70 to run each week, and this artificial ' lock-up ' of yarns, to say nothing of the capital which they represented, could ill be afforded at the time. Notoriously the change would be unpopular among the operatives affected. But the rota system had never been universal ; continuous unemployment

had always prevailed among the cardroom workers, and had not been found incompatible with a cordial reception of the Board's general policy. The cardroom workers were, however, restive under the existing discrimination ; and had, moreover, a legitimate grievance whenever their members were thrown out of work owing to an artificial shortage of spinners. Such were the considerations which determined the Board to decree the abolition of the rota system.

For the new scheme a new Order was necessary, which the Board of Trade were easily induced to make. The scheme was to come into operation upon the 10th June 1918. It was advertised in the press on the 18th May for the information of the parties to the forthcoming wages negotiations, but its introduction (by which was meant the exaction of levies and the continuance of the unemployment benefits) was once more made dependent upon the condition, vaguely phrased but bearing a clear significance, 'so far as the wages question is settled on lines that permit of it'.

The wages question was profoundly affected by the new scheme. Since wages are paid upon a piece-work basis, the short time would have the effect of reducing the weekly earnings of the operatives who were subject to it by 28 per cent. ; and a further advance of 54 per cent. upon the basis of the Standard List would be necessary to maintain weekly earnings at their existing level. But the possibility of short time had not entered into the calculations of the operatives in formulating their demands. Their claim to a 30 per cent. advance had been based on the assumption that it would involve a corresponding increase in their weekly earnings. It was natural that the operatives should consider whether it would not be well for them to revise and increase their application. But, on the other hand, it was plain that the employers were in no mood for large concessions. Short time meant a loss for them too, since it diminished the volume of goods over which their standing charges could be spread. The levies, moreover, were now no light matter, but must constitute a substantial item in their costs of production. An advance of

piece-rates would involve a third addition to their charges, and would not need to be large to wipe out the whole of the margin of profit at the prices which then prevailed. There was no reason, of course, why prices should remain unchanged. It was possible, it was clearly probable, that the further restrictions of output would, as before, result in higher prices. Lancashire had, under the conditions of the war, something of a monopoly in the world markets. The mills of the Continent were either closed down or producing only for local needs; and though Japan and the United States might take advantage of the situation to secure a foothold in our traditional markets, it was out of the question that they could for many years supply more than a small fraction of their demands. But such reasoning is apt to carry a more unqualified conviction to the mind of the detached observer than to that of the man whose personal interests are at stake, and who is urged on the strength of it to shoulder large additional burdens. Prices had been advanced without difficulty hitherto; but there was always the danger that a point would come at which the consumer would revolt. That this point had yet been reached was improbable; how near it was no one could foretell. Moreover, neither the short time nor war conditions would last for ever; and it would be difficult to secure later an abatement of any advance of piece-rates conceded now.

In these circumstances it was inevitable that the wages negotiations should be stubborn and prolonged. The services of Sir Herbert Dixon as mediator were again called into play. In the course of the discussions the operatives' leaders laid stress upon the great discontent which the abolition of the rota system would entail; and Sir Herbert Dixon, while holding out no hope of a change in the Board's policy in this respect, promised that the Board would give careful consideration to these protests and any further representations which the operatives cared to make. The employers, for their part, pressed home the argument of the levies with a greatly accentuated precision. Comparisons on the part of the operatives between their wage advances and those which had been obtained



in other trades, were met by the employers with a calculation of the precise percentage wages increase to which the new levies for which they were liable were equivalent. The operatives, who had decided not to vary their original demand, were loth to accept anything which fell short of it. To this, however, it was plain the employers would never agree, if they were also to be subject to the levy obligations. Were the levies withdrawn, it was hinted, something much more substantial in the wages line might be conceded. But the possible loss of the system of unemployment payments still exerted its old cogency on the union negotiators. Eventually a compromise was effected; and the Conference, which was held beneath the Control Board offices, in the Victoria Hotel, concluded with an agreement to a further 25 per cent. advance on the basis of the Standard Lists. The agreement was dated the 22nd May; like its predecessor, was countersigned by Sir Herbert Dixon, and was to run for another period of six months.

Dissatisfaction with this settlement soon manifested itself among the operatives. To the Bolton operatives, who would continue to work  $55\frac{1}{2}$  hours per week, it meant indeed a substantial increase of weekly earnings, though since it raised them to a level only 57 per cent. in excess of pre-war earnings, while the cost of living, as shown by the official figures, had doubled, it could hardly even in their case be deemed extravagant. The earnings of the great bulk of the operatives, who would be subject to short time, would be only about 13 per cent. above the pre-war figures, and would represent an actual reduction of no less than 15 per cent. upon the wages which they were now receiving. For this the leisure of a long week-end seemed an inadequate compensation. It is not surprising, therefore, that at the usual delegate meeting of the Operative Spinners, ratification by which of all wages agreements is required by the rules of the amalgamation, the leaders found it a difficult matter to induce the body of delegates to ratify the settlement. But all sections of the cotton operatives have a well-deserved reputation for a readiness to endorse loyally the signatures of their leaders. A refusal to ratify would have

been foreign to their traditions; the delegates sought rather to find some alternative course, a possible basis for which seemed to be provided by the ambiguous position occupied by the Control Board in relation to the settlement. Accordingly the wages agreement was duly ratified without reservation; but the formal letter from the Spinners' Amalgamation which notified the fact to the Control Board was accompanied by another in which two demands were put forward. The first of these was that the rota system should be maintained; the second was as follows: 'that when the loss of working time of operatives under the decision of the Board to reduce the working hours in the American Section to 40 shall in the aggregate equal  $55\frac{1}{2}$  hours, the operatives should be entitled to claim a week's payment under the scheme of the Board'.

The letter containing these demands was dated the 3rd June 1918.

## CHAPTER VII

### THE CAMPAIGN AGAINST THE BOARD

THE operatives on the manufacturing side needed no prompting from the spinners in demanding the retention of the rota system. The announcement of its abolition had come as a complete surprise; stupefaction soon gave place to emphatic and indignant protest; and a flood of resolutions poured in upon the Control Board from almost every trade union and from almost every district.

The labour members of the Board, who were placed in a very difficult position, pressed strongly for concessions. A concession of some kind was inevitable; and the Board decided accordingly to reprieve the rota system for a further period of six weeks. The date of its abolition was thus postponed from the 8th June to 20th July.

This respite failed to stem the tide of agitation. Each day brought fresh evidence of the intensity of feeling which had been aroused. Its spontaneity was equally apparent. It became plain that it was beyond the power of the trade union leaders, even if they so desired, to reconcile their members to the change. Their own position, indeed, was threatened. Mass meetings were held in many towns, at which the union officials received stray fragments of the denunciations which were hurled upon the Control Board and its policy. An extremist 'shop-steward' movement, upon their freedom from which they had been wont to congratulate themselves and the cotton trade as a whole, began to rear its head and challenge their authority. They redoubled their pressure upon the Control Board, and sought to induce them to abandon altogether the attempt to abolish the rota system.

To this task the operatives' leaders brought all their customary ingenuity of argument. They minimized the abuses of the rota system, but, granting that continuous unemploy-



ment might lead to a somewhat more efficient utilization of labour power, was that consideration to override all others? They reminded the Board of an incident which had caused much amusement a little time before. The Coal Controller had made representations to the Board that the system of running all the mills with a portion only of their machinery at work led to much waste of coal. He had suggested that the Control Board might close some mills altogether and allow others to work at full pressure. This suggestion had been dismissed by the Control Board with considerable contumely; they had treated it as an excellent if extreme example of the impracticable notions which emanated from Whitehall. Who was to discriminate between mill and mill, to decide that this must close, and that might run? To treat all alike must be their first consideration. In the same way, argued the union leaders, the operatives claimed that *they* should be treated all alike. They objected to a discrimination, by which some would be allowed to remain at work and others be singled out for the hardships of 'continuous unemployment'. They objected still more, if the unemployed operatives were to be required, under penalty of forfeiting the Control pay (which was in effect deferred wages), to work at other mills, where the conditions might be inferior. This would be tantamount to 'industrial conscription'. Such were the considerations which speaker after speaker pressed home at a great Joint Conference which was held on the 2nd July of the Control Board and the unions concerned. In these proceedings the Cardroom took no part; throughout the whole agitation they maintained an attitude of complete and significant detachment.

In face of this agitation an ordinary Government Department would, perhaps, have yielded with the best grace which it could muster. But the Control Board, as they were fond of claiming, were not as Government Departments were. They had come to the deliberate conclusion that the abolition of the rota system was desirable with a full knowledge of all the arguments which could be produced on either side. They had announced their decision as part of their new scheme before

the Wages Settlement; and the knowledge of the various provisions of their scheme had been a material factor in deciding the terms of the settlement. Upon the point at issue they had the support of an important section of the operatives, whose interests were prejudiced by the existing state of affairs. They were a representative trade body; and they had a right to expect that their carefully weighed decisions would be loyally accepted by all sections, however distasteful they might occasionally be to some. They had already agreed to a prolonged delay, in order to afford time and opportunity for the consideration of any necessary safeguards or concessions. Nothing had occurred in the meantime to modify the essential factors of the situation. To continue the rota system any longer would in these circumstances be to yield to clamour; and the Control Board were not the men for that.

On the 8th July accordingly the Board issued a statement which dispelled any doubt as to their intentions. 'After careful consideration', it began, 'of the workpeople's request that the rota system should be maintained, the Cotton Control Board have decided that in the interests of the country the rota system of "playing off" workpeople comes to an end on the 20th July.' The remainder of the statement was designed to remove certain fears of the operatives and generally to render the new system more palatable. The operatives were assured that they would not be 'required to work at an unreasonable distance from their own district', or at any mill where the work was not 'suitable', 'the decision as to what work is suitable to rest with the local Joint Committees'. The Board announced that they were prepared to consider applications to increase the rate of unemployment pay in cases of special hardship, brought to their notice by the local Joint Committees, and they concluded with the hint that 'the future policy of the Board with regard to unemployment pay generally will be considered when reliable information is to hand as to the effect of the abolition of the Rota System on the amount of unemployment'.

The only effect of this announcement was to divert the

agitation into new channels. It was evident that the Control Board were resolved to adhere to their policy ; and the operatives decided to appeal to a higher authority. They requested an interview with the President of the Board of Trade.

Meanwhile the demand that the Control Board should pay for short time, in the manner formulated by the Operative Spinners, had gradually become associated with the agitation. The Board had met this suggestion with an uncompromising refusal. To pay for short time would involve a new and dangerous precedent. Every trade union which paid unemployment benefits, the Government in all its unemployment schemes, recognized the distinction between unemployment and short time, made payments in the former case and withheld them in the latter. In so far as it was reasonable that the operatives should receive compensation for short time, the matter was one for the adjustment of wage-rates, and, as such, it had already been dealt with. The loss of earnings which short time would involve had been one of the chief arguments of the operatives during the wages negotiations. Whatever might be thought of the terms of the resulting settlement, they had been agreed to on this basis. There had been no anticipation at the time that the Board would pay for short time ; the notion had not even been suggested. The subsequent formulation of and persistence in this demand was thus a roundabout way of repudiating the wages agreement.

The technical soundness of the Board's position on this issue might be indisputable ; but the course of events wedded the operatives to their demand. It soon became clear that the fears that the prices of yarn and cloth might be near their limit were illusory ; prices rose again ; and the ample margin of profit to which employers had recently become accustomed was at least restored. As the President of the Manchester Chamber of Commerce put it in an address to the Chamber in July, ' more money has been made in the Lancashire cotton spinning trade this year than in any similar half-year in the history of the industry '.

It was thus inevitable that discontent should grow among



the operatives with their wages bargain. A substantial reduction of weekly earnings at a time of swollen profits was an anomaly which from any standpoint it was impossible to justify. Technically, it was true, no complaints on this head could lie against the Control Board; but in reality, as we have seen, the Board had had their finger deep in the wages pie. Was it not then for the Board to do whatever they could to mitigate the now evident unfairness of the settlement? That they *could* do something was beyond dispute. The levies had been very greatly increased; there could have been no appreciable increase in the Board's expenditure. Clearly the Board were accumulating funds; a few fairly simple calculations (and most cotton men are adepts at mental arithmetic) showed that the accumulations must be very large. And if the money was there, had not the operatives the right to claim that in one form or other it should be paid to them? When they were haggling over wages with the employers, it was not the amount expended in unemployment pay, but the amount of the *levies* which they had been told must be set off against wages. The Board's funds thus really belonged to them; and they had a right to a large say in their disposal. It was not for the Control Board to decide without reference to them that payment for short time was a vicious principle. It was not for the Control Board to be austere with other people's money.

Despite the plausibility of these contentions, it is doubtful whether this demand would have been pressed very far but for the intenser feelings which the rota question evoked. As it was, the two demands were joined together in the campaign against the Control Board; and it was in order to make representations on both these issues that the interview was sought with the President of the Board of Trade. The situation had already taken a menacing turn. In Oldham the spinners had announced their intention of carrying their protests against the abolition of the rota system to the point of a strike. It was probable that their example would be followed by other districts and perhaps by other unions. In the national interests

it was imperative that nothing should be left undone that might avert the threatened trouble. Sir Albert Stanley consented to receive the deputation on the 16th July. He handled a difficult situation with tact and skill. He listened gravely to the representations of the operatives' leaders, expressed in glowing terms his appreciation of the services which had been rendered by the Control Board, and his great regret at the difficulties which had now arisen. These difficulties would, he trusted, prove transitory, and he hoped that he might be able to do something to remove them. He would go into the whole matter without delay ; but it was impossible for him to say more at the present stage. Sir Herbert Dixon, who accompanied the President, agreed, on behalf of the Control Board, to a further fortnight's postponement of the abolition of the rota system ; and he and the trade union leaders returned to Lancashire, to mark time, pending the expected ' decision ' of Sir Albert Stanley.

But Sir Albert Stanley contemplated no pronouncement on the points at issue. To override the Control Board would be to destroy their authority, and might lead to their resignation ; to uphold them would do nothing to relieve the situation. The contribution which he hoped to make to the problem was the provision of more cotton, and in this he was successful. The shipping position, in its bearing on the cotton trade, had eased appreciably ; and cotton shipments from America had already been resumed on a scanty scale. He now prevailed upon the shipping authorities to place a substantial quantity of tonnage at the disposal of cotton, summoned the Control Board to London on the 3rd August, explained what had occurred, and left them to deal with the new situation as they might think fit.

The same evening the Control Board issued from the Board of Trade offices the following statement to the Press :

' The Cotton Control Board, following their interview with the President of the Board of Trade, announce that in future :

' (1) *American and Mixed Spinning Mills* will be allowed under licence to run 55% of their total spindles for 45½ hours per week, instead of 50% for 40 hours as at present. . . .

‘*Manufacturers* who have hitherto been allowed to run 60% of their looms on American yarns for 40 hours per week will be allowed to run 65% of their looms on American yarns 45½ hours per week. . . .

‘(2) *Rota System*. The rota system will be definitely abolished on Saturday August 10th, and after this date only workpeople continuously “played off” can be paid from Control Board funds.

‘(3) *Scale of Payments*. The scale of unemployment payments will be increased as from August 12th by 20% all round. Thus adult men will receive 30s. per week in place of 25s.; adult women 18s. instead of 15s.; and so on in proportion. . . .’

In other words, the Control Board adhered to their refusal to meet either of the operatives’ demands. On both points, however, they sought to mitigate their grievance. The increase of working hours would increase the weekly earnings of the operatives on short time. The operatives ‘continuously played off’ would receive a higher rate of benefit; and would, moreover, as the result of the increase of machinery, be fewer in number. Among the spinners, indeed, who had shown themselves the most militant section, it was calculated, rightly as it proved, that the additional 5 per cent. would absorb practically the whole of the operatives who were now ‘played off’ upon the rota system.



## CHAPTER VIII

### THE SPINNERS' STRIKE AND THE TRIBUNAL

THE operatives had now exhausted every resource of a peaceful character which might assist them in their claims. It remained only to choose whether they should abandon their opposition to the Board's policy, as modified by their last announcement, or decide upon a strike. The United Textile Factory Workers' Association, in which all the cotton unions (with the exception of the Cardroom) were federated for political purposes, and which had been the instrument which they had employed to approach the Board of Trade, decided through their legislative Council to recommend the former course; and their decision sufficed for the operatives on the manufacturing side. But feeling still ran high among the operatives, and the leaders of the spinners took the view that their action must be determined by a ballot of their members. The ballot was duly held, the Executive Committee unanimously recommending 'acceptance' of the Control Board's modified proposals. By 10,998 votes to 2,526 the members decided to tender notices for a strike.

It soon became clear to the spinners themselves that they had drifted into a false position. The war was still in progress, there was as yet no clear sign of its sudden termination; though a stoppage in the cotton trade would not seriously prejudice the nation's war activity, so far as direct material consequences were concerned, there were other consequences to be reckoned with, and it was, to put it mildly, the common feeling that no section of workpeople should strike in time of war, unless their grievances were real and great. But these qualities were rapidly evaporating from the spinners' case. The rota question had occupied throughout the foreground of the controversy. But since the recent increase of machinery, the number

of spinners <sup>1</sup> who were unemployed had dwindled steadily, and seemed likely to disappear entirely by the time the strike took place. The demand for payment for short time was all very well as a secondary claim, as something with which they might stiffen their programme, when they were struggling to extort concessions from an obstinate authority. But as the main plank in a strike platform its soundness left much to be desired. From the purely formal standpoint, the matter was one on which the operatives might perhaps *ask*, but were hardly in a position to *demand*. For the formalities were that the Control Board had decided, upon their own initiative, to relieve the burden of unemployment, and this could hardly substantiate a claim for a further and larger bounty of an entirely different character. And, as the operatives' leaders had for reasons of their own sustained and endorsed the formal fiction that the Control Board played no part in wages questions, it was difficult for them now to challenge this conception. Apart from the formalities, this demand had always lacked conviction. The officials of the spinners, custodians of large funds of their own, could not but agree in their hearts that payment for short time would involve a dangerous principle; and it so happened that, at the very time when the strike notices were being handed in, it became necessary for them to make a public declaration of their real attitude. Some indiscreet but influential members had made the suggestion that if the Control Board maintained their refusal to pay for short time, the Amalgamation should do so from its own funds. The Amalgamation officials in their Quarterly Report <sup>2</sup> denounced this 'pernicious proposal' in language hardly distinguishable from that of the Control Board. Their reserves had 'not been built up for such a purpose, and the people who advise such action are not acting in the true interests of the Amalgamation'. Since the spinners had for long maintained a system of unemployment benefits, this rebuke was clearly not calculated to persuade the public that the action

<sup>1</sup> On the other hand, large numbers of cardroom workers, weavers, and other operatives were still unemployed.

<sup>2</sup> Published in the *Cotton Factory Times*, 6th September 1918.

of the Control Board in maintaining a similar distinction was so unreasonable as to justify a strike.

Apart from the history of the controversy, a strike would indeed have been inconceivable. It was the final episode in a long-drawn struggle of two stubborn wills. The spinners had three months earlier put forward two demands, which were both of practical importance at the time and which in all the circumstances had seemed to them to be reasonable. Their major claim had been the retention of the rota system ; if they had obtained that, they might have been ready to forgo the other. But they had been flouted ; the Control Board had obstinately refused to budge. They could be obstinate in their turn. The rota question had become one of principle ; and when they recorded their vote they had not been in the mood to consider the actual extent to which it now affected them. But strikes cannot be conducted with success even in peace time upon obsolete grievances, or for principles which have ceased to apply. In the interval which remained before the notices were due to expire the spinners' leaders searched for a way out of the *impasse*.

In these circumstances private relief may perhaps have qualified the open indignation with which they received a drastic step taken by the Ministry of Labour. Sir David Shackleton intimated that in the event of a stoppage the payment of strike pay would be an offence against the Defence of the Realm Regulations ; and subsequently an injunction was obtained in the Law Courts to restrain the Amalgamation in advance from this course. The spinners' executive took it upon themselves to post-date the strike notices for a week and summoned a special representative meeting to consider the situation. But, despite the prevalence of second thoughts, it was impossible to call off the strike. The result of the ballot was too emphatic to be disregarded ; no subsequent change had occurred in any of the material factors of the situation apart from the injunction, and this could not be used as the pretext for a reversal of policy unless the spinners were to avow themselves prepared to yield to threats. This they



would not do. The notices were allowed to expire, the spinners came out on strike on the 14th September, and Mrs. Pankhurst's 'Woman's Party' sent emissaries to Lancashire to trace the trouble home to the 'hidden hand' of Germany.

Second thoughts were now almost universal. The strikers' mood was anything but happy, and it was plain that almost any device would serve to secure a return to work. One device lay ready to hand. The Prime Minister was in Manchester. He had come to receive the freedom of the city, and had been detained by a severe chill as a prisoner in the Town Hall. From his sick-bed, on the 15th September, he addressed a letter to the spinners, in which he appealed to them in the name of 'our brave men who are engaged in deadly struggle with the enemy . . . to return to work, and leave the decision of the matters in dispute to the Government after an inquiry by a tribunal to be at once appointed by the Government'. This proved sufficient. The spinners decided to accept the Prime Minister's offer and work was resumed after a stoppage of one week.

Little time was lost in appointing the tribunal, which was composed of Sir Dudley Stewart Smith, K.C. (Chairman), Sir Alexander Kaye Butterworth, and Mr. G. J. Rowe, with Mr. E. A. Gowers, C.B., as Secretary. They held their inquiries in the Council Chamber of the Manchester Town Hall on the 9th and 10th October. The considerations which had weakened the spinners' case for strike purposes likewise affected its presentation before the tribunal. As regards the rota system, the tribunal could only report that its restoration 'was not seriously pressed and no evidence was laid before us that would justify us in recommending its reintroduction'. As regards payment for short time, their verdict was that 'we are satisfied that the Board acted prudently and reasonably in refusing to introduce a principle so novel in the industrial world as the grant of unemployment pay on account of short time, however caused'. In these circumstances they were 'unable to recommend that the claims put forward by the men should be acceded to'. But the tribunal could not fail to perceive that at the

back of these claims there lay a legitimate grievance. The absorption of the unemployed margin of the spinners, while it made nonsense of their claim on the rota question, had another bearing on the situation as a whole. The spinners were now deriving practically no benefit from the levies, on account of which their wage advance had been substantially curtailed. Wages questions lay outside the scope of the Tribunal's, as of the Control Board's functions ; and it was, therefore, with many protestations of ' diffidence ' and ' reserve ' that they approached the subject. But they felt bound to observe that while ' the profits made are satisfactory, and indeed high . . . it is apparent that relatively to the cost of living the operatives are substantially worse off than before the war and, by comparison with other trades, are bearing a disproportionate share of the burden arising from increased prices '. For this grievance the operatives had in their judgement been ' seeking the wrong remedy ' and they added the hint that ' we cannot help thinking that it would be well if employers and employees were invited to meet without waiting for the expiry two months hence of the May agreement, with a view to seeing whether that agreement might not be modified '.

The Report of the Tribunal was duly made public ; negotiations on the lines of their last suggestion were set on foot between the employers and the operatives, but they proved abortive, and the Wages Agreement ran its course unrevised to its appointed end on the 7th December.<sup>1</sup> Meanwhile the Armistice had been signed, and the work of the Control Board was drawing to its close.

<sup>1</sup> A brief account of the subsequent wages settlements is given in Appendix B.

## CHAPTER IX

### CONCLUSION

WITH the termination of the Spinners' strike no great interest attaches to the subsequent proceedings of the Board. One effect of the strike was to bring to a head the shortage of yarns, which had grown steadily more acute for the reasons mentioned in Chapter III. The Board sought to relieve the situation by allowing American spinners to work the full  $55\frac{1}{2}$  hours, instead of  $45\frac{1}{2}$ , for a period of four weeks in order to make up for the lost time, and by reducing the percentage of looms on American yarn from 65 to 60. But it was too late to make up the leeway by this means. Many manufacturers were compelled to close down their sheds, because their supply of yarns was exhausted; and as the operatives thus unemployed were not regarded as played off 'as the result of the restrictions of the Cotton Control Board', and were therefore ineligible for Control Board pay, these irregular stoppages caused great discontent among the weavers. The Board decided upon a drastic remedy. On the 11th October they issued a circular announcing that 'all looms must be entirely stopped throughout the week commencing 21st October', and that the operatives would receive unemployment pay from the Control Board in respect of this stoppage. It was beyond the capacity of the trade union machinery to make payments to the whole of the manufacturing operatives in a single week; and the employers were accordingly invited to act as the Board's agents on this occasion. The chief incident of the week's closure of the weaving-sheds was a brush with the War Office, who were concerned as to its effect on the delivery of their orders. As both the Control Board and the War Office had D.O.R.A. behind them to enforce their decrees, a deadlock was threatened by which manufacturers might be subjected to opposing orders and liable to heavy penalties for obedience to either. This was averted by a compromise, by



which a limited number of mills engaged on Government work of an especially urgent character were allowed to run.

Supplies of cotton were now arriving more freely, and on the 28th October the Board allowed an increase in the working hours of American spinning mills from  $45\frac{1}{2}$  to 50. After the armistice, as from 25th November, the restrictions on working hours were withdrawn, and all spinners and manufacturers were henceforth at liberty to work full time. At the same time the levies were reduced to less than a quarter of their former rates. With the expiration of the wage agreement in December the levies came to an end.

Meanwhile the situation as regards the unemployment benefits had been complicated by the institution by the Government of the Out-of-Work Donation scheme. The rates of pay under this scheme were higher than those paid by the Control Board, except in the case of single men (who received 29s. from the Government, as against 30s. from the Control Board) and 'young persons'. On the other hand, it was a far more agreeable process to obtain the pay from the trade union than from the Labour Exchange. After much negotiation the Control Board accordingly made an agreement with the Ministry of Labour, the principles of which were thus defined in a circular from the Board: 'Each operative will receive whichever is the *greater* of the two sums to which he or she would be entitled under the Government scheme, and the Control Board scheme respectively. These payments will be made as at present by the trade unions from money advanced by, or recoverable from, the Cotton Control Board. The Ministry of Labour will refund to the Cotton Control Board in each case the amounts payable under the Donation scheme.' The working of this arrangement was necessarily complicated. The Ministry of Labour, though remarkably accommodating by the standards of Whitehall, as the fact of their agreement to the arrangement testifies, naturally insisted upon detailed certificated proof of the amounts for which they were liable to the Control Board. Thus, though the genial informality of the old system was retained so far as the operatives were concerned, the union

officials underwent a stiff course of form-filling before their labours were at an end. Under this arrangement the payment of unemployment benefits was continued till June 1919, when all unemployment was absorbed in an unexampled trade boom.

The limitation of machinery was retained for nearly three months after the Armistice. Cotton supplies soon became abundant; but the shortage of mule spinners and other 'pivotal' men now constituted a limiting factor. Moreover, the armistice was followed by a sharp decline in the prices of yarn and cloth; and purchasers were disposed to withhold orders until the market reached its bottom. With a shortage of certain grades of male labour and a shortage of orders, output was perforce curtailed, and the Control Board were for a time inclined to continue their control of machinery, with gradual relaxations, until normal conditions should be restored. It soon became apparent, however, that such a policy could not be maintained. The Orders, by virtue of which the Board exercised their control, were avowedly based on the scarcity of cotton, and their legality had thus become doubtful. An agitation in favour of 'decontrol' in general spread like wildfire throughout the country, and found in the Cotton Control Board an early and a not unwilling victim. The Board of Trade revoked the relevant Orders early in February 1919, and the Control Board assumed the new title of the 'Cotton Reconstruction Board'.

But one awkward problem remained. For long the Board's receipts from levies had been enormously in excess of their expenditure; it was obvious that they must have accumulated a very substantial sum. There was much speculation as to its order of magnitude, for the figures were kept as a very close secret. But what seemed the most extravagant guesses fell short of the truth. A year afterwards, in March 1920, the Board owned up to the possession of a clear million and a half.

What was to be done with this colossal sum? It was not exactly a white elephant; for any of three parties would have been quite agreeable to take it off the Board's hands, and indeed each of them could advance some more or less plausible reasons

for their claim to do so. The employers had contributed the money in the first instance, and it was said that in 1917, at the outset of the scheme, when it was put forward as a three months' experiment, they had been given to understand, when they had demurred to the magnitude of the levies, that any final balance would be returned to them. The operatives had their argument that the levies had assumed the character of deferred wages. The Treasury were accustomed to lay claim on principle to all surplus funds in the possession of 'war controls'. That the money should go to the Treasury would, however, have been regarded by all sections of the trade as an outrageous solution. The Board of Trade accordingly contrived to keep the Treasury at arm's length while a plan was evolved for the disposal of the funds, which it was hoped, if disclosed at an appropriate moment, might cause general satisfaction to the trade. This plan was to use the money to form a special fund, to be entitled 'The Cotton Trade War Memorial Fund', to be administered by a body of Trustees, who might expend the income, or, with the approval of the Board of Trade, the capital of the Fund, on certain specified objects. These objects, as ultimately defined, were as follows :

- (1) Grants to the cotton operatives disabled during the war as the result of either military service or their employment in the industry.
- (2) Grants to the families or dependants of cotton operatives who died during the war from either of the above causes.
- (3) Educational schemes for the benefit of the cotton operatives, or their children.
- (4) Scientific or educational research in connexion with the industry.
- (5) The development of cotton growing within the Empire.
- (6) The investigation of cotton trade conditions abroad.
- (7) Unemployment schemes, put forward by the Cotton Reconstruction Board, and sanctioned by the Board of Trade.



This scheme was first made public, in general outline, in March 1920. It met, as was hoped, with general approval. Scientific research, cotton-growing, foreign investigation, are matters in which both employers and operatives are keenly interested, and upon which both are anxious for greater efforts than have been found practicable in the past. The special claims of the operatives arising from the past entanglements between levies and wage advances were felt to have been fairly met by the remaining provisions.

But a difficulty still remained. The scheme put forward might be generally acceptable ; but was it in accordance with the law ? This was not a matter upon which any ambiguity could be tolerated, as it might involve the trustees in legal proceedings, and perhaps in heavy penalties. To determine the point, a friendly action in Chancery was deemed necessary ; and the formal constitution of ' The Cotton Trade War Memorial Fund ' remained in abeyance, while the tedious processes of the law were set in motion.

The months rolled by ; in the summer came the first clear intimations of the trade depression, in which as these lines are written, the cotton trade, like most others, still flounders without relief. The shadows grew and deepened ; the menace of unemployment once more reared its head, and the question was urgently raised of utilizing the money for a new scheme of unemployment relief.

It was not, however, until the 21st December 1920 that the Trust Deed received the (provisional) approval of the Court ; and it became possible to use the money at all. The following trustees were forthwith appointed by the President of the Board of Trade : Mr. Addison, Sir Edward Tootal Broadhurst, Mr. Jackson, Mr. Hargreaves, Mr. Cross, Mr. Crinion, Mr. Duxbury, and Mr. Judson ; all members of the old Control Board, four from the employers' and four from the operatives' side. With them, in association with the Board itself, now rests the application of the funds in accordance with the terms of the Trust Deed summarized above.

No industrial problems are of greater importance at the

present time than unemployment on the one hand, and on the other, the potentialities and future of that two-handed engine, the joint committee of employers and employed. Upon both these problems the record of the Cotton Control Board has obviously an important bearing. But generalizations drawn from the experience of particular industries are usually unwise, and this applies with especial force to the experience of an industry with such self-contained traditions as cotton. I shall, therefore, attempt no parallels, point no morals, and indulge in no forecasts.

One concluding observation, however, is required. It must not be supposed from the account given above of the conflict between the Control Board and the operatives that the Board ever became unpopular; much less that the operatives would be disposed in retrospect to pass upon its work a depreciatory verdict. An effort of imagination must here be made to apprehend the peculiar psychology of Lancashire. The quarrels that occurred, stubbornly contested though they were, bore the character of family quarrels; and even at their height the Board never lost its hold upon something more cordial than the approval of the operatives, upon what I can again only call their pride. 'We were struck', reported the Cotton Inquiry Tribunal, fresh from hearing the grievances of the operative spinners, 'by the warm tributes paid by the men's representatives to the success with which the Board are performing their very difficult task.' It was probably no mere conventional courtesy that prompted Sir Albert Stanley to conclude his farewell letter to the Board with the words, 'there is no part of the war machinery in connexion with industry set up by the Board of Trade the work of which I can regard with greater satisfaction.' At least he knew that this would be liked in Lancashire.

## APPENDIX A

### ON THE LIMITATION OF MACHINERY

*Looms on Fine Counts.* In Chapter III, p. 22, reference was made to a series of provisions enabling manufacturers using Egyptian yarns to run more than the ordinarily permitted percentage of looms. The first of these steps was an announcement under the heading of 'Looms on Fine Counts', that manufacturers could obtain licences 'to run without restriction all looms that are weaving *both* 60s warp and 70s weft, or finer, or doubled yarn which is made from doubling single yarns of 60s count or finer in both warp and weft'. This concession took effect on 18th February 1918; and a week later it was somewhat extended by substituting '60s warp and 60s weft' as the limiting point in place of 60s warp and 70s weft. The Board adopted the criterion of counts rather than that of the origin of the cotton, as being more convenient and easier to check, while being very similar in effect (the great bulk of Egyptian cotton being spun into yarns of finer counts than 60s while the opposite is true of American); but a few weeks later (on 18th March) they announced that looms 'weaving cloth made wholly from Egyptian yarns both warp and weft of any counts' would also be included under the heading of 'Looms on Fine Counts'.

The fact that many manufacturers had some of their looms engaged on 'fine counts' and others on coarser numbers did not prove a very formidable difficulty. The Board had previously evolved, as a matter of administrative practice, a simple and satisfactory formula for dealing with the few cases of 'mixed mills' in the spinning industry; and all that was required was to apply this as a formal regulation to weaving. This was done. Manufacturers were allowed (subject, of course, to licence) to run as many looms as they chose on 'fine counts'; the number so run was then deducted from the total in the mill, and the 70 per cent. (as it was then) which could be run on other counts was calculated on the *remainder*. But a more troublesome difficulty presented itself in the numerous cases where the *same* looms were engaged on yarns of various counts and origins; where, for instance, a cloth was 'woven from a fine Egyptian weft and a relatively coarse American warp, or where a cloth, the bulk of which was composed of Egyptian yarns, contained a striped warp effect, or a check effect made from coarser American yarns'. Such looms did not come within the strict definition of Looms on Fine Counts; but there were many of them, and if they were to be treated on the same footing as looms engaged on



ordinary cloths, the consumption of Egyptian yarns would still be unnecessarily curtailed. The Control Board accordingly announced on 25th February that they were 'prepared to consider in individual cases whether they can regard looms engaged on such cloths, or any portion of such looms as engaged on "fine counts"'. An informal committee of the Board sat two or three days a week for a considerable period, dealing with applications under this head, examining samples of cloths with expert eyes, rejecting some applications altogether, and permitting in other cases one-half of the looms in question to be reckoned as engaged on 'fine counts'. This was typical of the great elasticity of method, open to bodies like the Cotton Control Board, as contrasted with Government Departments. It would have been impossible for an ordinary Department to have dealt with these applications so promptly, so much on their merits, and so little by hard and fast rules.

*Concessions to Small Manufacturers.* Another detail of the Board's regulations is worth recording. When the restrictions became drastic, they were believed to bear with special severity upon the many small manufacturers, who, lacking the capital to equip mills of their own, carry on their business on the basis of what is called 'room and power tenancy'. These manufacturers were disposed to make a special grievance of the fact that although they were required to stop a large proportion of their looms, their rents, so far from being reduced on this account, were for other reasons on the increase. The validity of this as an argument for special treatment was clearly disputable; for larger manufacturers had to bear commensurate burdens in the shape of the absence of return on the capital represented by their idle space and the higher price of fuel. But it was felt that, for whatever reasons, the position of the small manufacturer was not a good one; and the Control Board decided to make concessions. From 10th June 1918 manufacturers with less than 400 looms were allowed to run 40 looms in excess of their 60 per cent.; 'or such smaller extra number as will make a total not exceeding 240.' At first, this could only be done on payment of increased levy rates in accordance with the graduated scale; but when complaints arose that this rendered the concession of little value, the Board allowed small manufacturers to run their extra 40 looms while still paying levies at the lowest rate on the scale (3d. per loom) applicable to manufacturers running only 60 per cent. of their looms.

*Summary of Restrictions.* It will be convenient to summarize the various restrictions of output during the course of the control in tabular form. (See Table I overleaf.)

Sea Island cotton was always treated on the same footing as Egyptian; other growths (apart from a few special cases) on the same footing as American. Mills engaged entirely on waste, though liable to pay levies, were never subjected to any restriction as regards either

## THE COTTON CONTROL BOARD

TABLE I  
Percentage of machinery in mills which could be run

Date	Without Licence		With Licence				Weekly Working Hours			
	All Spinning Mills and Weaving Sheds		Spinning Mills		Weaving Sheds		Spinning Mills		Weaving Sheds	
	%		American	Egyptian	American	Egyptian	American and Mixed, Hours	Egyptian Hours	American Hours	
Sept. 10, 1917 .	60		70	100	100	%	55½	55½	55½	
Nov. 19, " .	"		60	"	"	"	"	"	"	
Dec. 24, " .	"		"	"	70	70	"	"	"	
Feb. 18, 1918 .	"		"	"	100	100	"	"	"	
Mar. 18, " .	50		50	80	60	"	"	"	"	
June 10, " .	Nil		55	"	"	"	40	"	40	
Aug. 5, " .	"		55	"	65	"	45½	"	45½	
Sept. 30, " .	"		"	"	60	"	55½	"	"	
Oct. 21, " .	"		"	"	Nil	Nil	"	"	"	
Oct. 28, " .	"		"	"	60	100	50	"	46	
Nov. 25, " .	"		"	"	65	"	55½	"	55½	
Feb. 3, 1919 .	100		"	"	"	"	"	"	"	

machinery or working hours. Firms having a large percentage of their machinery engaged on Government contracts were allowed to run larger percentages of machinery than the above (calculated so as to allow the retention of a small margin of private work); and, if the percentage of their Government work was sufficiently large, were permitted to work full time during the period of reduced working hours.

## APPENDIX B

### ON WAGE ADVANCES

Wages questions have entered so largely into the story of the Cotton Control Board that a brief account of their subsequent course is desirable by way of sequel. In December 1918 the May Agreement expired, and the operatives, with the Report of the Cotton Inquiry Tribunal to give moral support to their claims, stood firm for a further large advance. Once again, however, circumstances caused an equal determination on the side of the employers. The prices of their products had now fallen heavily; and this seemed to forebode the early return of those pre-war conditions of world competition, in which the margin of profit was cut fine. A strike of a week's duration took place before a settlement was effected. The basis of the settlement was a further advance upon the Standard Lists of 50 per cent.

It was not long before the question of wages was reopened in connexion with the question of a shorter working week. Reductions of hours were secured in one industry after another; and the cotton operatives resolved not to be left outside the general movement. Once again there was a stubborn contest, and a stoppage of work. In July 1919 the dispute was settled by a reduction of weekly hours from 55½ to 48, and a further advance of wages of 30 per cent. on the Standard Lists, so as to prevent a decrease of weekly earnings.

But the largest wage advance was still to come. In the summer of 1919 began a trade boom, which in respect of prices and profits exceeded all previous records, and upon which a lurid light was thrown by the widespread purchase of mills by new syndicates at enormously inflated values. The boom lasted well into 1920; and in May 1920, just as it was breaking, the operatives succeeded in securing, under an agreement to run for twelve months, a further advance of no less than 70 per cent.<sup>1</sup>

<sup>1</sup> Certain classes of operatives in the spinning industry received special increases of 10 per cent. on total earnings in addition to this general advance, e. g. strippers, grinders, and spinners. On the other hand, on the weaving side, the tapers, dry tapers, warp-dressers and loom-overlookers received only a 55 per cent. advance.



upon the Standard Lists. The effect of this was to bring wage-rates up to a level 215 per cent. in excess of the Standard Lists. Excluding altogether the 1919 advance of 30 per cent. in connexion with the shorter working week, the advances of wages since the Armistice amount to *double* the advances conceded during the whole course of the war.

The following table shows side by side at the dates of the various wage advances referred to, the percentage by which wage-rates exceeded the Standard Lists, and the percentage by which the cost of living according to the official figures published in the *Labour Gazette* exceeded the pre-war level.

TABLE II

Date	<i>Wage-Rates in the Cotton Trade</i>		<i>Cost of Living</i>
	<i>Percentage increase upon</i>		<i>Percentage increase</i>
	<i>the Standard Lists</i>		<i>since July 1914</i>
	<i>per cent.</i>		<i>per cent.</i>
July 1914	5		0
July 1917	25		80
December 1917	40		85
June 1918	65 <sup>1</sup>		100
December 1918	115		120
July 1919	145 <sup>2</sup>		105-110
May 1920	215		141

<sup>1</sup> From 10th June to 3rd August 1918 the bulk of the cotton operatives were working 40 hours, and from 5th August to 26th October 45½ hours in place of the normal 55½ hours.

<sup>2</sup> In July 1919 the working week throughout the trade was reduced from 55½ hours to 48.

# APPENDIX C

## STATISTICAL TABLE

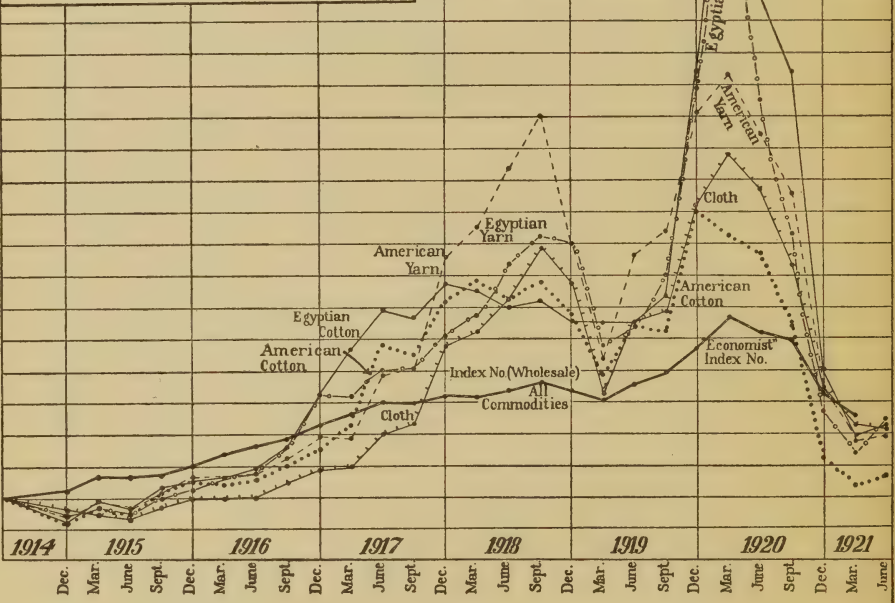
Table showing consumption of raw cotton, exports of yarn and cloth, and average prices of cotton, yarn, and cloth for the United Kingdom for the years 1909-20. (Based on figures derived from Tattersall's *Cotton Trade Circular* for December 1920.)

Year <sup>1</sup>	Average Weekly Consumption of Raw Cotton by British Mills (2)	Total Exports				Average Prices of Raw Cotton at Liverpool		Average Export Prices (paid by customers abroad)	
		Of Yarn		Of Cloth		Middling American (7)	Egyptian (8)	Of Yarn (9)	Of Cloth (10)
(1)	(2)	Volume (3)	Values (4)	Volume (5)	Values (6)	Pence per lb.	Pence per lb.	Pence per lb.	Pence per Yard
	<i>Thousand Bales</i>	<i>Million lb.</i>	<i>Million £</i>	<i>Million Yards</i>	<i>Million £</i>				
1909	69	215	12	5,722	68	5.50	8.44	13.18	2.86
1910	64	192	13	6,018	79	7.86	13.12	16.71	3.14
1911	72	224	16	6,654	91	7.84	10.75	16.79	3.26
1912	82	244	16	6,913	92	6.09	9.56	15.97	3.18
1913	84	210	15	7,076	98	6.76	9.79	17.13	3.32
1914	81	179	12	5,736	79	7.27	9.45	16.21	3.31
1915	75	188	10	4,749	65	5.22	7.34	13.15	3.27
1916	76	172	13	5,256	89	7.51	10.42	18.72	4.05
1917	69	133	17	4,979	113	12.33	21.56	30.11	5.44
1918	57	102	21	3,696	139	21.68	30.97	50.47	8.99
1919	55	163	34	3,529	179	19.73	27.08	50.03	12.18
1920	66	148	48	4,437	316	25.31	60.34	77.71	17.08

<sup>1</sup> In columns 3, 4, 5, 6, 9, and 10 the figures relate to the calendar year specified. In columns 2, 7, and 8 the figures relate to the season ending, for the years 1909-14, on the 31st August, and for the years 1915-20 on the 31st July of the year specified.

980  
940  
900  
860  
820  
780  
740  
700  
660  
620  
580  
540  
500  
460  
420  
380  
340  
300  
260  
220  
180  
140  
100  
60

**APPENDIX D**  
**Diagram**  
showing comparative prices of  
**Raw Cotton, Yarn, & Cloth,**  
together with wholesale prices of all commodities  
in Percentages on July 1917.  
(Based on figures derived from  
Tattersall's, Cotton Trade Circular for January, 1921,  
& the Economist Index No)





OUTLINE OF PLAN  
FOR THE  
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I

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